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CIS

REVENUE SHARING AND THE ELDERLY

HEARING

BEFORE THE

SUBCOMMITTEE ON HUMAN SERVICES

OF THE

SELECT COMMITTEE ON AGING
HOUSE OF REPRESENTATIVES

NINETY-NINTH CONGRESS

SECOND SESSION

MAY 21, 1986

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REVENUE SHARING AND THE ELDERLY

WEDNESDAY, MAY 21, 1986

HOUSE OF REPRESENTATIVES,
SELECT COMMITTEE ON AGING,
SUBCOMMITTEE ON HUMAN SERVICES,
Washington, DC.

The subcommittee met, pursuant to notice, at 2 p.m., in room 2261, Rayburn House Office Building, Hon. Mario Biaggi (chairman of the subcommittee) presiding.

Members present: Representatives Biaggi, Snowe, and Lightfoot.

Staff present: Bob Blancato, staff director; Moya Benoit, research assistant; Barbara Kaplan, minority staff director; and Bente Cooney, minority research assistant.

OPENING STATEMENT OF CHAIRMAN MARIO BIAGGI

Mr. BIAGGI. As Chairman of the Subcommittee on Human Services, I convene this urgent hearing today to examine the relationship between general revenue sharing and programs and services for our own Nation's elderly.

The hearing is urgent because of the fact that revenue sharing as a program is on the critical list. Its life support systems, mainly its legal authority and authorizations, as well as its annual appropriations, are scheduled to expire on September 30. The question is: Will the patient survive?

We will illustrate today that there is an important relationship between revenue sharing and the funding of key service programs helping our senior citizens. This is the case whether they live in center cities, suburban counties, or rural hamlets. This one aspect of revenue sharing, its importance to senior citizens warrants the program's continuation. Our response is to advocate for that by adding still another constituency to the coalition that is needed to make the case for more revenue sharing.

I chair this hearing as a strong supporter of revenue sharing. I was cosponsor of the original law back in 1972. I have supported the program's reauthorizations over the years. Currently, I have cosponsored both of the two main reauthorization bills pending in the House. The first is H.R. 796, to extend the program for 3 years. The second and main bill is H.R. 1400, to reauthorize the program for 5 years. This measure has been reported out of the subcommittee and awaits action in the full House Government Operations Committee.

The congressional district that I represent in New York has a very close relationship with revenue sharing. Both New York City and Westchester County, parts of which are in my district, actively

and effectively use revenue-sharing funds to help senior citizens. In fact in 1986, more than 1,570 New York local governments, counties, towns and villages will receive some $412 million in revenue-sharing payments.

My support of revenue sharing is based on several factors. The most obvious is that revenue sharing is a program which has succeeded in its mission and which works. It is the only Federal program which permits funds to go directly to localities for their use based on their determination of local need.

Therein lies both the strength and the weakness of revenue sharing allowing localities to spend funds without complicating Federal strings is important. Simply put, it gets money to the people faster and more efficiently, however the lack of full disclosure by localities about the use of these revenue sharing funds has led to the effort to repeal the program. It serves to hide the many important accomplishments of revenue-sharing, and makes it a far easier target for extinction than it should be.

Our concentration today is on revenue sharing and its relationship to programs providing services to the aged.

According to a recent survey conducted by the National Association of Counties, more than 6 out of every 10 revenue-sharing dollars goes for public safety, human services, and public works projects. The largest utilization of revenue-sharing funds by counties is for public safety and law enforcement.

These are virtually important services for all citizens including the elderly. In addition, many localities use their revenue-sharing funds to reestablish special crime prevention and/or victim assistance programs for the elderly. The next largest category is human services. The services provided specifically for the elderly are numerous including, but not limited to, senior centers, homemaker services and outreach services.

In testimony we will receive later today, we will hear more specific information on how revenue-sharing funds go to provide services for seniors. Let me cite one example provided to me by the mayor of Oak Park, MI, population 31,527. Oak Park received about $460,000 a year from revenue sharing. Mayor Charlotte Rothstein said, "With the elimination of general revenue sharing, critically serious reductions will be necessary in services."

Among those specifically cited: Home Chore Program for seniors; Outreach programs including daily telephone contacts with frail and homebound seniors; senior centers and other related services.

Clearly one of the most important services that would have to be eliminated in Oak Park, MI, and scores of other areas is one of particular importance to this subcommittee. I refer to elderly transportation services. Mayor Rothstein points to the two buses and other passenger vehicles which his city uses to take the elderly on crucial visits to the doctor and to go to other important services such as nutrition programs. Just over 2 months ago, this subcommittee held a hearing on transportation programs for the elderly. We learned of an ongoing and worsening shortage of services promoting isolation among the aged.

The elimination of revenue sharing will exacerbate this situation since GRS funds make up a far higher percentage of total revenues

in rural areas than in urban areas and these funds are used to fund transportation.

The case must be made to continue revenue sharing. Its elimination will be felt in each of the 39,000 counties, municipalities, towns and townships to which GRS funds now go. In two-thirds of our Nation's counties, revenue sharing is the only source of direct Federal aid. Elimination means for these counties and other units of local government—a choice between two evils—further reducing services or raising taxes. Both spell hardship for those revenue sharing has tried to help in these past 14 years.

When revenue sharing was established in 1972, it was hailed by its main architect, President Richard Nixon, as a new intergovernmental partnership. In recent years, the Federal Government has gone from being a full partner, to a limited partner. Now it threatens to become the ultimate silent partner by severing the relationship entirely.

Eliminating revenue sharing would be an immense mistake and with human impact. There is a faint glimmer of hope that revenue sharing may be reduced. The House budget resolution does "fence" funds in for revenue sharing pending passage of a reauthorization bill. Yet the clock is ticking and it is time for all the friends and those who have benefited from revenue sharing to stand up and be counted before the final bell tolls.

We have a first panel. And it is my pleasure to have join us today Congressman Bereuter from Nebraska to introduce the mayor of the town of Lincoln.

STATEMENT OF REPRESENTATIVE DOUG BEREUTER

Mr. BEREUTER. Chairman Biaggi, thank you very much for the courtesy that you have extended to me to join you today and introduce the mayor of the State capital, the second largest city in Nebraska, Lincoln, NE, Hon. Roland Luedtke.

Roland and I were legislators together in the unique Nebraska legislature. Unique in two ways, both nonpartisan and, of course, the fact that it is a unicameral. Roland truly did have a distinguished career there, and was one of the most able and active members.

I thought, Mr. Chairman, you in particular would like to know that he is the sponsor or cosponsor of all of the crime control and penal reform legislation that has passed in Nebraska in the last 15 years. I think that is a fair statement.

He capped his legislative career there by being chosen on a secret ballot by the members as a speaker of the unicameral. That is an interesting way to proceed there, but we do it in that fashion and it is an honor for the person selected.

Then he went on to become Lieutenant Governor and served a 4-year term there. Now he is the mayor of the city of Lincoln, and a very active mayor, giving his leadership to that community. I think you might also like to know, members of the subcommittee, that the mayor has tried hard to be particularly responsible in the use of revenue-sharing funds, and has counseled the city council frequently about making long-term commitments with those funds given the possible vulnerability of the source of funds that has

been so helpful to that community. His counsel has not always been taken, but he has certainly made an effort, and generally it is taken in that respect.

It is my pleasure to introduce Roland Luedtke, mayor of the city of Lincoln, to the subcommittee, Mr. Chairman.

Mr. BIAGGI. Thank you very much, we welcome you.

The other two members of the panel are Harvey Ruvin, commissioner of Dade County, FL; and Ruth Hardin, member, board of supervisors, Warren County, IA.

But before we proceed, I would like to allow my colleague and ranking minority member, Congresswoman Olympia Snowe, to give her opening remarks.

STATEMENT OF REPRESENTATIVE OLYMPIA J. SNOWE

Ms. SNOWE. Thank you, Mr. Chairman. I do have a statement that I would like to insert in the record.

Mr. Chairman, I certainly am pleased that we are holding this hearing today to analyze the impact of the loss of revenue-sharing funds on elderly programs and services. There is no question that revenue sharing has been a very important program to local communities and governments throughout this country. And certainly I have been a strong supporter of revenue sharing because of the essential services that it supports in the local communities.

Obviously we don't know to what extent revenue sharing would be affected in this budget resolution because it does provide an open door for continuing funding in the event that we have funds to support that program. I had hoped that at least we could phase out the program over the next several years rather than terminating it precipitously and affecting many of the programs that it has supported over time at the local level. I will be interested in hearing from the witnesses, today, to what extent ending revenue sharing will affect your services, and the way in which revenue sharing has governed the direction of some of the key programs at the local level.

Again, Mr. Chairman, thank you for the time and thank you for holding this hearing today.

[The prepared statement of Representative Snowe follows:]

PREPARED STATEMENT OF REPRESENTATIVE OLYMPIA J. SNOWE

Thank You, Mr. Chairman. I want to commend you for holding this hearing on a very timely topic, the impact of revenue sharing on services for the elderly.

I have been a strong supported of general revenue sharing and I recognize its important contribution in helping local governments to pay for much needed services. At present, 39,000 local governments are participating in general revenue sharing. Through this program, they pay for a variety of essential services including police, fire, health care, education and corrections. Today, we are focusing on the impact that the elimination of revenue sharing would have on programs for the elderly.

As you know, the first concurrent budget resolution, which was passed by the House on August 1, 1985, allows the general revenue sharing program to expire at the end of the current fiscal year, September 30, 1986. In addition, the President's budget proposal, eliminates funding for this program in fiscal year 1987. I, like all of you here, am concerned about the impact that this precipitous termination of revenue sharing will have on the provision of services at the local level.

I am equally concerned about recommendations that would target revenue sharing using data that are based on statewide factors of need, such as income and unemployment rates. In Maine, for example, the impact of the decline in the shoe and farming industries has been unevenly felt. Thus, while the State as a whole has a

low unemployment rate and a fairly robust economy, the more rural areas have income and employment problems that are not reflected in the overall statistics. Targeting based on statewide statistics would not fairly address the issue of need.

Mr. Chairman, I want to thank you for your efforts in having this hearing. I look forward to the comments of the witnesses.

Mr. BIAGGI. Mr. Lightfoot.

Mr. LIGHTFOOT. Thank you, Mr. Chairman. I do have a statement I would like to enter into the record.

Mr. BIAGGI. Well, both of your statements will be included in the record in their entirety.

STATEMENT OF REPRESENTATIVE JIM LIGHTFOOT

Mr. LIGHTFOOT. I would like to say that I serve on the Government Operations Committee and one of the things that we have moved through that committee is a 3-year extension of revenue sharing. And again, I am looking forward to what we are going to hear today, and I am especially pleased that Ruth Hardin is with us.

Ruth is from Warren County, IA, which is just to the south of our major city, Des Moines. We don't have many major cities in Iowa. You know, mass transit out there is a John Deere tractor and a hayride.

Ruth has been very active. She is a member of the board of supervisors. She works with many of the programs for the elderly, and really is caught in a squeeze in this point in time with the congregate meals, and trying to keep those together and at the same time trying to keep particularly our "State" property taxes—I put "State" in quotes there—down because our farmers are very hard pressed due to the economic situation. But Ruth has done an excellent job on the board of supervisors in Warren County. I don't know how many members of boards of supervisors around the country are ladies, but this one would be a good example. She has done a tremendous job and we are certainly glad that she could be with us today.

[The prepared statement of Representative Lightfoot follows:]

PREPARED STATEMENT OF REPRESENTATIVE JIM LIGHTFOOT

MR. CHAIRMAN, I COMMEND YOU FOR CALLING THIS HEARING TODAY TO EXAMINE THE USE OF GENERAL REVENUE SHARING MONIES FOR PROGRAMS FOR OLDER AMERICANS. THIS IS A TIMELY TOPIC IN LIGHT OF THE EXPIRATION OF REVENUE SHARING ON OCTOBER 1, 1986. AT THIS TIME, THE FUTURE OF GENERAL REVENUE SHARING IS UNCERTAIN.

THE HOUSE COMMITTEE ON GOVERNMENT OPERATIONS, WHICH I AM A MEMBER, APPROVED A THREE YEAR AUTHORIZATION OF REVENUE SHARING AT CURRENT LEVELS. THE RECENTLY PASSED HOUSE BUDGET RESOLUTION LEAVES OPEN THE OPTION OF CONTINUED FUNDING FOR REVENUE SHARING.

HOWEVER, THE SENATE HAS CLEARLY INDICATED THAT IT DOES NOT SUPPORT CONTINUED FUNDING OF REVENUE SHARING. THIS IS EVIDENCED BY THEIR VOTES TO KILL CONTINUED AUTHORIZATION OF THIS PROGRAM DURING CONSIDERATION OF THEIR FY87 BUDGET RESOLUTION IN APRIL.

DURING THESE TIMES OF RECORD FEDERAL BUDGET DEFICITS, WE NEED TO EXAMINE ALL PROGRAMS CLOSELY, INCLUDING GENERAL REVENUE SHARING. AS WE ALL KNOW, REVENUE SHARING STARTED AT A TIME WHEN THE FEDERAL GOVERNMENT OPERATED ON A SURPLUS. THESE CIRCUMSTANCES HAVE NOW CHANGED THOUGH, AND THE FEDERAL GOVERNMENT IS HARD-PRESSED TO FIND REVENUE TO SHARE.

BUT, WE ALSO NEED TO REMEMBER THAT CITIES AND COUNTIES HAVE COME TO DEPEND UPON THIS SOURCE OF REVENUE FOR VITAL PROGRAMS AND SERVICES IN THEIR COMMUNITIES.

IN A GOVERNMENT OPERATIONS COMMITTEE HEARING HELD IN MY DISTRICT LAST YEAR, WE HEARD FROM MANY CITY AND COUNTY OFFICIALS WHO STATED THAT THEY USE REVENUE SHARING FOR MANY ESSENTIAL SERVICES, SUCH AS POLICE AND FIRE PROTECTION, HUMAN SERVICE PROGRAMS, AND SERVICES FOR THE ELDERLY. MANY OF THESE COUNTIES AND CITIES INDICATED THAT THESE SERVICES WOULD HAVE TO BE CUT BACK DRASTICALLY IF REVENUE SHARING WAS NO LONGER AVAILABLE.

RAISING TAXES TO MAKE UP THE DIFFERENCES IS NOT A VIABLE OPTION FOR MANY OF THESE CITIES AND COUNTIES, ESPECIALLY THOSE AFFECTED BY THE DOWNTURN IN THE AGRICULTURAL ECONOMY. IN MANY CASES, THEY ARE FACED WITH DWINDLING TAX BASES AND STATE LAWS THAT PREVENT THEM FROM RAISING TAXES. INSTEAD, CITY AND COUNTY OFFICIALS HAVE TOLD ME THAT THEY WILL HAVE TO CUT SERVICES.

WITH THIS IN MIND, IT IS IMPORTANT THAT WE GET A BETTER PICTURE OF HOW REVENUE SHARING MONIES ARE BEING USED TO FUND PROGRAMS AND SERVICES FOR OLDER AMERICANS. THE WITNESSES REPRESENT BOTH URBAN AND RURAL AREAS; THEREFORE, THEY SHOULD BE ABLE TO PROVIDE US WITH A GOOD PERSPECTIVE OF USES OF THESE MONIES IN DIFFERENT REGIONS OF THE COUNTRY.

ALSO, I AM PLEASED TO WELCOME A CONSTITUENT OF MINE, RUTH HARDIN, A WARREN COUNTY BOARD OF SUPERVISOR. SHE WILL TELL US HOW RURAL AREAS OF THE COUNTRY USE THEIR REVENUE SHARING MONEY FOR PROGRAMS WHICH SERVE THE ELDERLY. I LOOK FORWARD TO HEARING FROM THE WITNESSES TODAY AND TO QUESTIONING THEM ON THIS IMPORTANT TOPIC.

Mr. BIAGGI. I think that it is worthy of note that Ruth Hardin came here to these hearings at her own expense, so clearly her commitment is manifested in material ways as well.

Mr. Mayor.

PANEL ONE: CONSISTING OF HON. ROLAND LUEDTKE, MAYOR, CITY OF LINCOLN, NE, AND CHAIRMAN, HUMAN DEVELOPMENT COMMITTEE, U.S. CONFERENCE OF MAYORS; RUTH HARDIN, VICE CHAIRPERSON, WARREN COUNTY, IOWA BOARD OF SUPERVISORS; AND HARVEY RUVIN, COMMISSIONER, DADE COUNTY, FL

STATEMENT OF HON. ROLAND LUEDTKE

Mayor LUEDTKE. Mr. Chairman, members of the committee, I am Roland Luedtke, mayor of Lincoln, NE. I am honored to be here this afternoon to appear before you on behalf of the U.S. Conference of Mayors, where I chair the Human Development Committee.

First, Mr. Chairman, I would like to thank you for convening these hearings on the impact of general revenue sharing on older Americans at this particular time. During the next few weeks Congress will consider the reauthorization and funding of general revenue sharing. Revenue sharing is a program vital to local governments which provides benefits to all of our citizens, including the elderly. General revenue sharing touches people of all ages in our communities. Its loss would adversely affect thousands of older residents.

Since its enactment in 1972, as you alluded to, Mr. Chairman, general revenue sharing has been used locally to fund a wide range of programs that benefit the elderly, both directly and indirectly. Some programs, such as Meals on Wheels, or the construction and operation of senior centers, have direct and specific benefits for the elderly. In many communities general revenue sharing has been used for such basic services as police and fire. There the elderly also benefit, but less directly.

Between fiscal year 1980 and 1985, State and local governments have had to absorb nearly a 25-percent reduction in Federal funds for various programs. And in response to Federal funding cuts, cities have already taken drastic actions.

A Conference of Mayors' survey last year found that, first of all, that nearly half of the cities responding indicated that they had already increased user fees. Next, 41 percent had staff layoffs and instituted hiring freezes. Twenty-eight percent had already raised property taxes. And 27 percent had already cut services. Furthermore, 97 percent of those responding to the survey indicated that they anticipated further cuts in services if general revenue-sharing funds were eliminated.

Of these cities, 48 percent would cut public safety programs; 32 percent would cut human services programs; and 15 percent would cut health programs. Each of these programs has a direct and indirect benefit for older citizens. In addition, 68 percent of the cities indicated that they would also have to raise additional revenues through such means as user fees, property taxes, sales taxes and/or income taxes, for that matter.

While these figures provide a national perspective on the consequences of the loss of general revenue sharing on the elderly, the most important consideration is the impact it will have upon an individual older person in an individual community.

In Lincoln, over 90 percent of our general revenue-sharing funds are spent for health, aging, and human service programs. Over $800,000 of the city's revenue-sharing funds go to the Lincoln-Lancaster Commission on Aging, and Area Agency on Aging which serves eight counties. Other jurisdictions also contribute their general revenue-sharing funds to finance programs and operations of the Area Agency for Aging. And because of the plight of farmers in Nebraska, we expect that many of the rural counties in our area will have a very limited capacity to compensate for the loss of general revenue sharing; I want to emphasize that point.

Our revenue sharing funds are used as a catalyst for pooling other community resources and to tie together categorical programs. Programs funded include: Transportation, information and referral and other access services; in-home services, such as Meals on Wheels; the operations of and programs at community and senior center, including a senior craft shop; adult day care; nutrition programs; legal services, and senior volunteer programs, such as RSVP.

Without general revenue sharing funds, the 25,000 elderly aged 60 and older in Lincoln, and the additional 21,000 older persons in the surrounding communities, will be adversely affected. Local elected officials are in the difficult position of either cutting services, or raising taxes or other revenues, tapping other resources, or shifting funds from other program areas. We have difficult decisions ahead.

During the past 14 years, cities have incorporated revenue sharing in their local budgets as part of the pool of resources used to provide basic services. While on a national level, general revenue sharing represents an average of nearly 7 percent of the revenues raised by local governments, in individual cities, I point out to you, it ranges from 1 to 25 percent of the city budget. Local governments in 18 States—mostly southern and rural—have budgets in which general revenue-sharing accounts for at least 10 percent of their total budget.

At a time when communities are experiencing increases in their elderly population and being called upon to assume greater responsibilities, the essential tools and resources are being taken away. In the past 5 years, as other Federal programs have been cut back or eliminated, general revenue sharing has been there to help local communities to compensate for the significant funding losses. And now even general revenue sharing is in jeopardy, a scapegoat, if you will, in the current struggle to reduce the Federal deficit.

For mayors and local government officials, it is difficult indeed, to understand and to accept the threatened elimination of general revenue sharing. President Reagan, like his predecessors, has expressed support for this program. For in 1983, during the signing of the reauthorization of the act, President Reagan stated:

> Local governments meeting local needs—that is a fundamental principle of good government—if those at the grass roots are to get their job done right, we must give

them the resources they need. The Federal Government never spent money more wisely than by devoting it to revenue sharing.

We heartily agree with President Reagan. The Conference of Mayors, therefore, urges the enactment of H.R. 1400, legislation that would reauthorize general revenue sharing, and full funding for the program.

[The prepared statement of Mayor Luedtke follows:]

STATEMENT BY THE HONORABLE ROLAND LUEDTKE, MAYOR OF LINCOLN,
ON BEHALF OF THE UNITED STATES CONFERENCE OF MAYORS
ON THE IMPACT OF GENERAL REVENUE SHARING ON THE ELDERLY

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, I AM ROLAND LUEDTKE, MAYOR OF LINCOLN, NEBRASKA. I AM PLEASED TO BE HERE THIS AFTERNOON TO TESTIFY ON BEHALF OF THE UNITED STATES CONFERENCE OF MAYORS WHERE I CHAIR THE HUMAN DEVELOPMENT COMMITTEE.

FIRST OF ALL, I WOULD LIKE TO THANK YOU CONGRESSMAN BIAGGI, FOR CONVENING THESE HEARINGS ON THE IMPACT OF GENERAL REVENUE SHARING ON OLDER AMERICANS, AT THIS TIME. DURING THE NEXT FEW WEEKS, CONGRESS WILL CONSIDER THE REAUTHORIZATION AND FUNDING OF GENERAL REVENUE SHARING. REVENUE SHARING, A PROGRAM VITAL TO LOCAL GOVERNMENTS, PROVIDES A MULTITUDE OF BENEFITS TO ALL CITIZENS, INCLUDING THE ELDERLY. GENERAL REVENUE SHARING TOUCHES PEOPLE OF ALL AGES IN LOCAL COMMUNITIES, AND ITS LOSS WILL ADVERSELY AFFECT THOUSANDS OF OLDER RESIDENTS.

GENERAL REVENUE SHARING IS, AS YOU KNOW, ALLOCATED ON A FORMULA BASIS TO UNITS OF LOCAL GOVERNMENTS--CITIES, COUNTIES, TOWNS AND OTHERS. THERE ARE 39,000 LOCAL JURISDICTIONS WHO RECEIVE GENERAL REVENUE SHARING--LARGE AND SMALL, URBAN AND RURAL. CONTRARY TO POPULAR PERCEPTION, MOST OF THE RECIPIENTS ARE SMALLER COMMUNITIES (85 PERCENT HAVE POPULATIONS UNDER 10,000); ARE POORER (60 PERCENT OF REVENUE SHARING GOES TO COMMUNITIES BELOW THE NATIONAL MEDIAN INCOME); AND HAVE LIMITED OTHER FEDERAL RESOURCES (80 PERCENT OF THESE 39,000 JURISDICTIONS RECEIVE NO OTHER DIRECT FEDERAL FUNDING BEYOND GENERAL REVENUE SHARING).

EACH COMMUNITY HAS THE FLEXIBILITY TO DETERMINE HOW TO USE GENERAL REVENUE SHARING FUNDS TO ADDRESS LOCAL NEEDS. THE FEDERAL GOVERNMENT, WITH ITS MORE PROGRESSIVE AND LARGER TAX BASE, ALLOCATES FUNDING TO LOCAL GOVERNMENTS WHO HAVE A BETTER UNDERSTANDING OF THE PARTICULAR PROBLEMS AND NEEDS OF THEIR COMMUNITIES, AND WHO ARE LOCALLY ACCOUNTABLE FOR THE DECISIONS MADE ON THE MOST EFFECTIVE USE OF THE FUNDS.

SINCE ITS ENACTMENT IN 1972, GENERAL REVENUE SHARING HAS BEEN USED LOCALLY TO FUND A WIDE RANGE OF BASIC PROGRAMS THAT BENEFIT THE ELDERLY, BOTH DIRECTLY AND INDIRECTLY. SOME PROGRAMS, SUCH AS MEALS-ON-WHEELS OR THE OPERATION OF SENIOR CENTERS, HAVE DIRECT AND SPECIFIC BENEFITS FOR THE ELDERLY. IN MANY OTHER COMMUNITIES, GENERAL REVENUE SHARING HAS BEEN USED FOR BASIC SERVICES SUCH AS POLICE AND FIRE PROTECTION. THERE THE ELDERLY ALSO BENEFIT, BUT LESS DIRECTLY.

THE IMPACT OF GENERAL REVENUE SHARING ON THE ELDERLY VARIES SIGNIFICANTLY FROM COMMUNITY TO COMMUNITY, DEPENDING UPON LOCAL NEEDS AND THE AVAILABILITY OF OTHER RESOURCES. OFTEN, LOCAL COMMUNITIES INCLUDE GENERAL REVENUE SHARING AS PART OF THEIR POOL OF FUNDS. IT IS USED TO PROVIDE BASIC SERVICES, OR TO COMPENSATE FOR THE DRAMATIC REDUCTIONS IN FEDERAL FUNDS FOR OTHER PROGRAMS.

ACCORDING THE TO TREASURY, WHERE EACH COMMUNITY IS REQUIRED TO SUBMIT AN ANNUAL USE REPORT, LOCAL COMMUNITIES REPORTED THE FOLLOWING USES FOR GENERAL REVENUE SHARING IN 1985:

- POLICE...18.5 PERCENT OF JURISDICTIONS
- STREET MAINTENANCE...14 PERCENT
- FIRE PROTECTION....9.8 PERCENT
- EDUCATION..8.1 PERCENT
- HEALTH AND HOSPITALS...7.1 PERCENT
- SANITATION AND SEWERAGE...6.2 PERCENT
- PARKS...4.9 PERCENT
- PUBLIC WELFARE...2.6 PERCENT
- CORRECTION...2.4 PERCENT
- OTHER...25.4 PERCENT

CLEARLY, OVER HALF OF ALL JURISDICTIONS USE GENERAL REVENUE SHARING TO FUND PROGRAMS SUCH AS POLICE, FIRE, HEALTH, PARKS, EDUCATION, ETC. THAT ARE IMPORTANT TO OLDER PEOPLE. WHILE NOT NECESSARILY TARGETED SPECIFICALLY TO THE ELDERLY, NOR ANY OTHER AGE GROUP, THESE VARIOUS PROGRAMS DO PROVIDE BASIC SERVICES WHICH IMPROVE THE QUALITY OF LIFE IN CITIES FOR THE ELDERLY.

MR. CHAIRMAN, I AM CERTAIN THAT THE MEMBERS OF THIS AGING COMMITTEE ARE WELL AWARE OF THE IMPORTANCE OF MANY OF THESE BASIC SERVICES FOR OUR OLDER CITIZENS. FOR EXAMPLE:

- CRIME PREVENTION AND VICTIMIZATION IS A BASIC CITY SERVICE VITAL TO ALL CITIZENS; HOWEVER, TO THE ELDERLY, A CRIME IS PARTICULARLY DEVASTATING PHYSICALLY, ECONOMICALLY, AND EMOTIONALLY. FURTHERMORE, THE FEAR OF CRIME MAY SIGNIFICANTLY CONTRIBUTE TO THE ISOLATION OF MANY OLDER PERSONS. LOCAL GOVERNMENTS MUST, STATUTORILY AND OTHERWISE, HAVE EFFECTIVE POLICE PROTECTION. MANY COMMUNITIES, SUCH AS BOSTON, USE THEIR GENERAL REVENUE SHARING FUNDS TO PROVIDE BASIC POLICE SERVICES INCLUDING SPECIAL PROGRAMS FOR THE ELDERLY.

- FIRE PROTECTION AND EMERGENCY ASSISTANCE IS CRITICAL TO OLDER PERSONS. AS AN INDIVIDUAL AGES, HEALTH OFTEN DETERIORATES. THUS, FOR THE ELDERLY, SERVICES SUCH AS FIRE PROTECTION AND EMERGENCY ASSISTANCE INCLUDING PARAMEDICS AND LIFELINE EMERGENCY RESPONSE SYSTEMS ARE ESSENTIAL IN LIFE THREATENING SITUATIONS. THIS IS PARTICULARLY TRUE FOR THOSE FRAIL ELDERLY AND OLDER PERSONS LIVING ALONE. MANY CITIES SUCH AS SCRANTON, USE THEIR REVENUE SHARING FUNDS TO SUPPORT THEIR FIRE DEPARTMENTS INCLUDING EMERGENCY HEALTH ASSISTANCE SERVICES, WHICH ARE VITAL TO OLDER RESIDENTS.

- PUBLIC HOSPITALS AND HEALTH SERVICES ARE ALSO CRUCIAL SERVICES. IN MANY INNER CITIES AND LOCAL COMMUNITIES, THERE MAY NOT EXIST OTHER ADEQUATE HEALTH SERVICES. FURTHERMORE, DURING A TIME OF CHANGING PUBLIC POLICIES AND INCREASED AWARENESS OF THE NEED TO DEVELOP COMMUNITY-BASED ALTERNATIVES TO INSTITUTIONAL CARE FOR THE ELDERLY, IT IS CRITICAL THAT LOCAL GOVERNMENTS HAVE THE CAPACITY TO ASSUME THESE INCREASED RESPONSIBILITIES. IN NORFOLK, THE CITY ALLOCATED OVER $8 MILLION FOR THE ANNUAL SUPPORT OF ITS PUBLIC HOSPITAL TO PROVIDE HEALTH CARE TO INDIGENT RESIDENTS INCLUDING THE ELDERLY.

- PARKS AND COMMUNITY CENTERS PROVIDE VITAL PROGAMS LINKING SENIOR CITIZENS TO THEIR COMMUNITY. THROUGH THEIR PARKS AND RECREATION DEPARTMENTS, MANY CITIES HAVE DEVELOPED A NETWORK OF COMMUNITY AND SENIOR CENTERS WHICH SERVE AS A FOCAL POINT AND CATALYST FOR BRINGING TOGETHER THE MYRIAD OF PUBLIC AND PRIVATE COMMUNITY SERVICES AVAILABLE TO HELP THE ELDERLY REMAIN INDEPENDENT AND IN THEIR OWN NEIGHBORHOODS. A NUMBER OF CITIES HAVE USED REVENUE SHARING FUNDS TO CONSTRUCT OR REHABILITATE A COMMUNITY OR SENIOR CENTER. OTHER CITIES SUCH AS COLORADO SPRINGS, USE REVENUE SHARING FUNDS THROUGH THEIR PARKS AND RECREATION PROGRAMS TO FINANCE VARIOUS PROGRAMS FOR THE ELDERLY IN COMMUNITY AND SENIOR CENTERS.

- MAINTAINING STREETS AND TRANSPORTATION SERVICES ARE ESSENTIAL FOR LINKING THE ELDERLY WITH NEEDED SUPPORT SERVICES. WHAT IS THE BENEFIT OF AVAILABLE COMMUNITY SERVICES FOR THE ELDERLY IF THEY DO NOT HAVE ACCESS TO THEM? MANY ELDERLY MUST RELY UPON MASS TRANSIT SYSTEMS AND/OR PARATRANSIT SYSTEMS IN ORDER TO MAINTAIN THEIR INDEPENDENCE. MANY CITIES, SUCH AS JAMESTOWN, NEW YORK USE GENERAL REVENUE SHARING TO FINANCE THEIR MASS TRANSIT SYSTEM WHICH BENEFITS OLDER RIDERS. SOME CITIES, SUCH AS GLENDALE, ARIZONIA

USE REVENUE SHARING FUNDS FOR PARATRANSIT SYSTEMS THAT SERVE THE ELDERLY.

YET, IN MANY CITIES, THESE CRITICAL SERVICES TO THE ELDERLY ARE IN DANGER OF BEING SEVERELY REDUCED OR ELIMINATED, IF GENERAL REVENUE SHARING IS ELIMINATED. HOW WELL A COMMUNITY IS ABLE TO COMPENSATE FOR THE LOSS OF GENERAL REVENUE SHARING AND THE IMPACT THAT THIS LOSS WILL HAVE UPON ITS OLDER CITIZENS, CAN ONLY BE EXAMINED ON A CITY BY CITY BASIS. THE IMPACT ON AN INDIVIDUAL COMMUNITY IS DEPENDENT UPON A NUMBER OF FACTORS SUCH AS:

- THE NUMBER AND PERCENTAGE OF OLDER PERSONS IN THE COMMUNITY;
- THE TYPE AND IMPORTANCE OF THE PROGRAM TO THE ELDERLY;
- THE ABILITY OF THE LOCAL COMMUNITY TO REDUCE COSTS OF THE PROGRAM, I.E., TO MAKE IT MORE EFFICIENT OR TO TIGHTEN ELIGIBILITY; AND
- THE ABILITY OF THE COMMUNITY TO IDENTIFY ALTERNATIVE FUNDING, I.E., TO RAISE TAXES, OR USERS FEES.

IF GENERAL REVENUE SHARING FUNDS ARE ELIMINATED, THE ELDERLY WILL BE ADVERSELY IMPACTED BY EITHER REDUCED OR ELIMINATED SERVICES, OR INCREASED TAXES OR USER FEES. THERE ARE SIMPLY NO OTHER OPTIONS AVAILABLE TO LOCAL GOVERNMENTS. CITY PROGRAMS HAVE ALREADY BEEN CUT TO THE BONE.

BETWEEN FY80 AND FY85, STATE AND LOCAL GOVERNMENTS HAVE HAD TO ABSORB A NEARLY 25 PERCENT REDUCTION IN FEDERAL FUNDS FOR VARIOUS PROGRAMS. URBAN PROGRAMS HAVE BEEN CUT EVEN MORE. IN RESPONSE TO FEDERAL FUNDING CUTS, CITIES HAVE ALREADY TAKEN DRASTIC ACTIONS. A CONFERENCE OF MAYORS SURVEY LAST YEAR FOUND THAT:

- NEARLY HALF (49 PERCENT) OF THE CITIES RESPONDING INDICATED THAT THEY HAD ALREADY INCREASED USER FEES;
- 41 PERCENT HAD STAFF LAYOFFS AND INSTITUTED HIRING FREEZES;
- 28 PERCENT HAD ALREADY RAISED PROPERTY TAXES; AND
- 27 PERCENT HAD ALREADY CUT SERVICES.

FURTHERMORE, 97 PERCENT OF THOSE RESPONDING TO THE SURVEY INDICATED THAT THEY ANTICIPATED FURTHER CUTS IN SERVICES IF GENERAL REVENUE SHARING FUNDS WERE ELIMINATED. OF THESE CITIES, 48 PERCENT WOULD CUT PUBLIC SAFETY PROGRAMS; 32 PERCENT WOULD CUT HUMAN SERVICES PROGRAMS; AND 15 PERCENT WOULD CUT HEALTH PROGRAMS. EACH OF THESE TYPES OF PROGRAMS HAVE DIRECT AND INDIRECT BENEFITS FOR OLDER CITIZENS. IN ADDITION, 68 PERCENT OF THE CITIES INDICATED THAT THEY WOULD ALSO NEED TO RAISE ADDITIONAL REVENUES THROUGH SUCH MEANS AS INCREASES IN:

- USER FEES (43 PERCENT);
- PROPERTY TAXES (40 PERCENT);
- SALES TAXES (5 PERCENT; AND,
- INCOME TAXES (3 PERCENT)

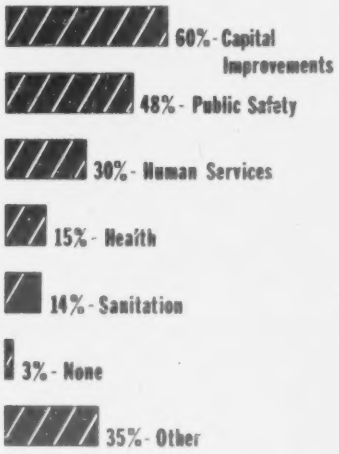
IT SHOULD BE NOTED THAT MOST CITIES DO NOT HAVE THE AUTHORITY TO IMPOSE SALES OR INCOME TAXES.

WHILE THESE FIGURES PROVIDE A NATIONAL PERSPECTIVE ON THE CONSEQUENCE OF THE LOSS OF GENERAL REVENUE SHARING ON THE ELDERLY, THE MOST IMPORTANT CONSIDERATION AND ACTUALLY, THE ONLY ONE THAT REALLY MATTERS, IS THE IMPACT IT WILL HAVE UPON AN INDIVIDUAL OLDER PERSON IN AN INDIVIDUAL COMMUNITY.

FOR INSTANCE, IN IN MY OWN CITY OF LINCOLN, OVER 90 PERCENT OF OUR GENERAL REVENUE SHARING FUNDS ARE SPENT FOR HEALTH, AGING AND HUMAN SERVICES PROGRAMS. OVER $825,000 OF THE CITY'S GENERAL REVENUE SHARING FUNDS GOES TO THE LINCOLN-LANCASTER COMMISSION ON AGING TO FUND A VARIETY OF AGING PROGRAMS IN THE CITY AND COUNTY. FUTHERMORE, SINCE THE CITY ADMINISTERS THE AREA AGENCY ON AGING (AAA)

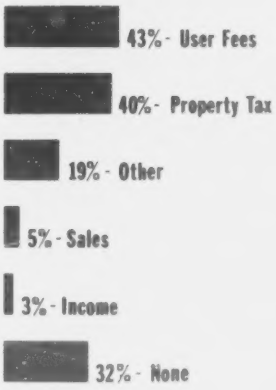
ELIMINATION OF GENERAL REVENUE SHARING MEANS....

BIG PROGRAM CUTS
(percent of cities which would cut each program)



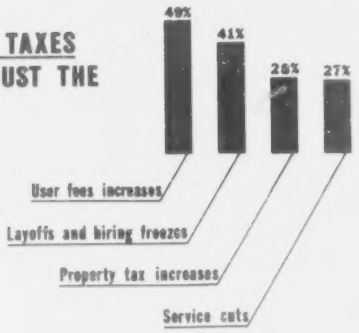
and

BIG TAX INCREASES
(percent of cities which would raise each tax)



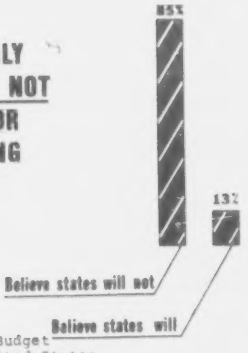
Source: The Impact on America's Cities of the Administration's Federal Budget for Fiscal Year, 1986, United States Conference of Mayors, March 1985

CITIES HAVE RAISED TAXES AND CUT COSTS IN JUST THE LAST YEAR....



and

CITIES OVERWHELMINGLY BELIEVE STATES WILL NOT COMPENSATE THEM FOR LOST FEDERAL FUNDING



SOURCE: The Impact on America's Cities of the Administration's Federal Budget for Fiscal Year, 1986, United States Conference of Mayors, March 1985

SERVING AN 8 COUNTY PLANNING AND SERVICE AREA (PSA), THE AAA RECEIVES IN ADDITION TO THE CITY'S GRS FUNDS, GENERAL REVENUE SHARING FUNDS FROM OTHER JURISDICTIONS SUCH AS SAUNDERS COUNTY, TO FINANCE PROGRAMS AND OPERATIONS OF THE AAA FOR PROGRAMS IN THEIR COUNTY. MUCH PUBLICITY HAS BEEN GIVEN THIS PAST YEAR TO THE THE PLIGHT OF THE FARMERS IN NEBRASKA, MANY OF THESE RURAL COUNTIES IN OUR PSA ARE POOR AND HAVE VERY LIMITED CAPACITY TO COMPENSATE FOR LOSS OF GENERAL REVENUE SHARING.

THE LOCAL FLEXIBILITY OF GENERAL REVENUE SHARING ENABLE THESE FUNDS TO BE USED AS A CATALYST AND LOCAL MATCH FOR POOLING OTHER COMMUNITY RESOURCES, PARTICULARLY TO BETTER COORDINATE AND TIE TOGETHER THE CATEGORICAL PROGRAMS. EXAMPLES OF THE TYPES OF PROGRAMS IN LINCOLN WHICH ARE FUNDED IN PART THROUGH GENERAL REVENUE SHARING (44 PERCENT AVERAGE) ARE:

- TRANSPORTATION, INFORMATION AND REFERRAL (I&R) AND OTHER ACCESS SERVICES;
- IN-HOME SERVICES, SUCH AS MEALS-ON-WHEELS;
- OPERATIONS AND PROGRAMS OF SENIOR CENTERS, INCLUDING A SENIOR'S CRAFT SHOP;
- ADULT DAY CARE;
- NUTRITION PROGRAMS;
- LEGAL SERVICES;
- VOLUNTEER PROGRAMS, SUCH AS THE RETIRED SENIOR VOLUNTEER PROGRAM (RSVP).

WITHOUT GENERAL REVENUE SHARING FUNDS THE 25,000 ELDERLY AGED 60 AND OLDER IN LINCOLN AND THE ADDITIONAL 21,000 OLDER PERSONS IN THE SURROUNDING COMMUNITIES WHO ARE PART OF OUR PSA WILL CLEARLY, BE ADVERSELY AFFECTED. LOCAL ELECTED OFFICIALS, ARE IN THE VERY DIFFICULT POSITION OF EITHER: 1) CUTTING SERVICES; 2) RAISING TAXES OR OTHER REVENUES; 3) TAPPING OTHER RESOURCES; OR 4) SHIFTING FUNDS FROM OTHER PROGRAM AREAS. WE HAVE DIFFICULT DECISIONS AHEAD.

THIS LAST OPTION OF "ROBBING PETER TO PAY PAUL" MAY ALSO HAVE AN ADVERSE IMPACT UPON THE ELDERLY IN THOSE COMMUNITIES WHICH MAY CHOOSE TO SHIFT FUNDS FROM PROGRAMS FOR THE ELDERLY TO OTHER PRIORITY PROGRAM AREAS. FOR EXAMPLE, IT IS POSSIBLE THAT A COMMUNITY WHICH HAS FUNDED AGING PROGRAMS WITH CITY GENERAL FUNDS AND USED ITS GENERAL REVENUE SHARING FUNDS FOR OTHER TYPES OF SERVICES, SUCH AS FIRE PROTECTION, MAY NOW NEED TO SHIFT GENERAL FUNDS FROM AGING SERVICES TO ENSURE CONTINUATION OF ADEQUATE FIRE PROTECTION.

DURING THE PAST 14 YEARS, CITIES HAVE INCORPORATED INTO THEIR LOCAL BUDGETS GENERAL REVENUE SHARING AS PART OF THEIR POOL OF RESOURCES TO PROVIDE VITAL SERVICES. WHILE ON A NATIONAL LEVEL, GENERAL REVENUE SHARING REPRESENTS AN AVERAGE OF NEARLY SEVEN PERCENT OF THE REVENUES RAISED BY LOCAL GOVERNMENTS, IN INDIVIDUAL CITIES, IT RANGES FROM ONE TO 25 PERCENT OF THE CITY BUDGET. LOCAL GOVERNMENTS IN EIGHTEEN STATES (MOSTLY SOUTHERN AND RURAL STATES) HAVE BUDGETS IN WHICH GENERAL REVENUE SHARING REPRESENTS AT LEAST 10 PERCENT OF THEIR TOTAL BUDGET.

ON A NATIONAL LEVEL, THE LOSS OF GENERAL REVENUE SHARING WOULD RESULT IN AN ESTIMATED 9.2 PERCENT INCREASE IN PROPERTY TAXES BY LOCAL GOVERNMENTS (EXCLUDING SCHOOL AND OTHER SPECIAL DISTRICTS WHICH RECEIVE REVENUE SHARING FUNDS) OR AN ACROSS-THE-BOARD CUT OF 18,494 POLICE OFFICERS, 8,150 FIRE OFFICERS, 18,152 TEACHERS, 20,220 HUMAN SERVICE WORKERS, AND 26,065 STREET MAINTENANCE WORKERS, OR A COMBINATION OF THESE. SUCH AN INCREASE IN TAXES MAY BE PROHIBITED BY STATUTE OR MAY BE POLITICALLY IMPOSSIBLE.

REGARDLESS OF WHETHER TAXES OR OTHER REVENUE SOURCES ARE RAISED OR EXISTING SERVICES ARE CUT, THE ELDERLY WILL BE ADVERSELY IMPACTED. LIVING ON FIXED INCOMES BELOW OR JUST ABOVE THE POVERTY LEVEL, MANY ELDERLY CAN ILL AFFORD INCREASES IN TAXES OR USERS FEES. SIMILARLY, THOSE ELDERLY WHO RELY UPON SUPPORT SERVICES TO REMAIN INDEPENDENT AND IN THEIR COMMUNITIES, CAN ILL AFFORD FURTHER CUTS IN THESE VITAL SUPPORT SERVICES.

FOR CITY AND LOCAL GOVERNMENT OFFICIALS THESE ARE INDEED DIFFICULT DECISIONS. NEARLY TWO-THIRDS OF THE ELDERLY LIVE IN URBAN AREAS WITH HALF OF THESE IN CENTRAL CITIES. MR. CHAIRMAN, THE MEMBERS OF THIS AGING COMMITTEE KNOW WELL THE DRAMATIC DEMOGRAPHIC INCREASES THAT OUR COUNTRY IS EXPERIENCING, AND ARE AWARE OF THE PROJECTIONS, PARTICULARLY FOR THOSE AGED 85 AND OLDER WHO MAY REQUIRE ADDITIONAL SERVICES. IN 1980, 24 OF OUR MAJOR CITIES HAD OVER 20 PERCENT OF THEIR TOTAL POPULATION AGED 65 AND OLDER; AND 175 CITIES HAD AN ELDERLY POPULATION GREATER THAN THE NATIONAL AVERAGE OF 11 PERCENT. IN ADDITION, 27 HAD OVER 50,000 OLDER RESIDENTS.

FINALLY, MANY ELDERLY WHO LIVE IN OUR NATION'S CITIES ARE MINORITY AND/OR HAVE INCOMES BELOW POVERTY LEVEL. IN 1980, 21 CITIES HAD OVER 20 PERCENT OF THEIR ELDERLY POPULATION--ONE OF EVERY FIVE ELDERLY--LIVING BELOW POVERTY. FOR MANY OF THESE ELDERLY, THE CITY GOVERNMENT IS THE PROVIDER OF LAST RESORT. IN DESPERATE SITUATIONS, THESE ELDERLY USUALLY TURN TO CITY HALL FOR HELP. FOR EXAMPLE, IN A CRISIS, FEW SENIORS CALL THEIR PRESIDENT, CONGRESSMAN OR GOVERNOR, BUT THEY DO CALL 911 FOR LOCAL POLICE OR FIRE ASSISTANCE, AND THEY DO CALL CITY HALL.

AT A TIME WHEN COMMUNITIES ARE EXPERIENCING INCREASES IN THEIR ELDERLY POPULATIONS AND BEING CALLED UPON TO ASSUME GREATER RESPONSIBILITIES, THE ESSENTIAL TOOLS AND RESOURCES ARE BEING TAKEN AWAY. IN THE PAST FIVE YEARS AS OTHER FEDERAL PROGRAMS HAVE BEEN CUT OR ELIMINATED, GENERAL REVENUE SHARING HAS BEEN THERE TO HELP LOCAL COMMUNITIES COMPENSATE FOR THESE SIGNIFICANT FUNDING LOSSES. AND NOW EVEN GENERAL REVENUE SHARING IS BEING CONSIDERED FOR ELIMINATION-- A SCAPEGOAT IN THE CURRENT STRUGGLE TO REDUCE THE FEDERAL DEFICIT.

FOR MAYORS AND LOCAL GOVERNMENT OFFICIALS, IT IS DIFFICULT TO UNDERSTAND AND ACCEPT THE THREATENED ELIMINATION OF GENERAL REVENUE SHARING. PRESIDENT REAGAN, LIKE EACH OF HIS PREDECESSORS, HAS EXPRESSED SUPPORT FOR THE PROGRAM. IN 1983, DURING THE SIGNING OF THE REAUTHORIZATION OF THE ACT, PRESIDENT REAGAN STATED THAT, "LOCAL GOVERNMENTS MEETING LOCAL NEEDS--THAT'S A FUNDAMENTAL PRINCIPLE OF GOOD GOVERNMENT...IF THOSE AT THE GRASSROOTS ARE TO GET THEIR JOB DONE RIGHT, WE MUST GIVE THEM THE RESOURCES THEY NEED...THE FEDERAL GOVERNMENT NEVER SPENT MONEY MORE WISELY THAN BY DEVOTING IT TO REVENUE SHARING."

THE CONFERENCE OF MAYORS URGES THE ENACTMENT OF HR 1400, PENDING REAUTHORIZATION LEGISLATION REPORTED BY THE HOUSE GOVERNMENT OPERATIONS COMMITTEE, AND FULL FUNDING OF GENERAL REVENUE SHARING.

Mr. BIAGGI. Ms. Hardin.

STATEMENT OF RUTH HARDIN

Ms. HARDIN. Mr. Chairman, and members, I am pleased with your interest in this subject. I would like to first give a background of the economic conditions of the State of Iowa in the rural areas. Mr. Lightfoot touched upon them. He is correct; I think the Federal Government considers Iowa completely rural and does not recognize any of our cities, that we do consider cities.

We have a sad situation, and I think it is difficult to realize when you are not part of it. We have had 5,000 filings for bankruptcy in 1985. And in 1986 our first quarter bankruptcies are exceeding our 1985 level. We have, I think, a minimum of nine banks and savings and loan failures. We have two insurance companies, that I am aware of, who have been intervened on by the insurance commissioner.

It is disheartening to see people who normally are going into retirement, they are liquidating, and have nothing, and there is nothing that we can do about this. That is the background for our feeling on not wanting to raise taxes from these people, or increasing our taxes, when they are hard-hit already.

I would like to begin with what counties typically are responsible for and that seems to be the large ticket items, for instance, the senior citizens programs, such as congregate meals, transportation, public health nurses, homemaker assistance, welfare, general relief, and the facilities for those programs. Time and again, needs assessments taken upon the elderly show that their two top priorities are transportation and congregate meals.

For fiscal year 1985 our Area Agency on Aging, in which there are eight counties together, have provided 704,000-plus congregate meals. For the first 9 months of 1986, there have been 13,000-plus elderly persons in this program.

The transportation, again, the transportation program, has provided 260,000 units of service for 7,000 senior citizens in those counties. To pay for these services the local county governments have committed the total of $1,388,000 for these services for the elderly. The cities, on the other hand, typically contribute to facilities for seniors in which to help them meet. For example, the county I come from in the city of Norwalk, it pays rent to a church for the senior citizens to meet each month. The city of Osceola, in Clarke County, pays $500 a month mortgage payments for the senior citizens. Osceola also contributes revenue-sharing dollars for fire stations and libraries so they feel that the senior citizens benefit from those areas, too.

The city of Indianola was forced to cut its contributions from $6,000 to $4,000 to the local Community Action Program to assist senior citizens. The cities of Hartford and Carlisle, again, in Warren County, again, use revenue-sharing money for rent for their pot luck dinners for seniors. These costs also go toward the utilities to pay for the churches where they meet.

The senior citizens also use the money for meat for Thanksgiving, Christmas, and Easter dinners for their pot luck meals. They

also buy supplies. They also take an occasional bus trip to the State fair, or to the national balloon competition in Indianola.

Mr. BIAGGI. Ms. Hardin, forgive me for interrupting, but we, at this point, will be required to declare a 15-minute recess in order to permit the members to go to the floor and vote.

We will resume where you left off.

[Recess.]

Mr. BIAGGI. Ms. Hardin.

Ms. HARDIN. OK, I have been talking about cities, and our rural cities, and taking the bus trips that they take, a couple of trips a year to the county fair, and to the national balloon competition in Indianola. And one lady by the name of Polly James, who lives in Hartford, requested $400 from the city council there, and it is an unknown whether they can help with that or not because of the uncertainty of revenue-sharing funds. She said, "That most of us seniors do not drive anymore, and if we do drive, we do not drive in congested areas." So they are very limited.

A gentleman who passed away in Mount Vernon, Washington State, requested a memorial for him to be given to the local transportation system, so that it would help provide transportation for the senior citizens for them to go on their errands and to the doctor. The city clerk in Hartford by the name of Patty Buzzard, indicated that she wished that she had the interest that is allowed to build up from the larger cities revenue-sharing funds, because the small towns do not have any surplus and do not have community buildings for the senior citizens.

In the city of Winterset, in Madison County, they typically get $2,000 to $2,500 per year for its elderly for the center and to help transport people but they have cut that out because of the uncertainty, and the city council, of course, has been bombarded by the requests from the elderly; they do not understand why the money cannot be provided by the city; they really do not understand that it is a flow-down situation.

I would next like to talk about the price of loneliness, or cost of loneliness for our senior citizens. The company of others is one of our most basic needs, and life without people has no meaning. Being included and feeling cared for are basic social needs; they are comparable to food, water, the safety, for the human being to survive.

Communication is so important that it is necessary for our physical health. Medical researchers have identified a wide range of medical hazards that result from a lack of close relationships. Socially isolated people are two to three times more likely to die prematurely than those with strong social ties.

The type of relationship does not matter. Friendship or community ties, they both increase longevity. When you go back to your homes if you visit your congregate meal sites, you can verify the way you are treated by the people by their lingering handshakes.

In the rural areas without a doubt, services to senior citizens are very closely tied to revenue-sharing funds received by local communities. Historically funding for senior programs has hung a delicate balance between local tax dollars, Federal dollars and donations received by the seniors themselves. A drastic decrease by any of the three factors would have a devastating effect on the total program.

Local governments have maintained, and in many cases, increased their commitment to the program. Senior citizens are doing their part and we now look to the Federal Government to continue its commitment for the help and well-being of the citizens, especially the senior citizens on fixed incomes.

Thank you for you interest again in revenue sharing.

[The prepared statement of Ms. Hardin follows:]

PREPARED STATEMENT OF RUTH HARDIN, VICE-CHAIRPERSON, WARREN COUNTY, IOWA, BOARD OF SUPERVISORS

The elimination of general revenue sharing would have a devastating effect on local governments in the State of Iowa and, especially, for programs for senior citizens. At a time when government is faced with decreasing revenues from all sources, requests for services are on the increase, especially from those citizens least able to help themselves. At the top of this list, most certainly, would be the retired senior citizens. The State of Iowa ranks fifth nationally in the percent of elderly to total population, behind only the states of Florida, Rhode Island, Arkansas and Pennsylvania. Because of the continuing farm crisis, state and local governments in Iowa are at a further disadvantage to respond to the demand for services. It is especially heartbreaking, as a local elected official, to, on the one hand, face a group of elderly constituents and promise to attempt to continue a basic service such as congregate meals or transportation, with dwindling resources, and, on the other hand, face a group of farm constituents hit hard by the crisis and pledge to try to not increase local property taxes. Under the best of circumstances, it is very, very difficult; under the threat of discontinuance of general revenue sharing, it is impossible. My situation is even more extreme because as a supervisor in Warren County, I represent a county that is part of the Area XI Agency on Aging in the State of Iowa, which has the highest percent of elderly in the State. As you see, my problems are even more compounded. For the average Iowa county, general revenue sharing amounts to eight percent (8%) of local taxes, while seventeen (17) Iowa counties derive ten percent (10%) or more of local taxes from general revenue sharing. At a time when revenues are decreasing from all sources it just will not be possible to continue programs, as we now know them, that serve elderly Iowans. Time and time again, needs assessments taken among the elderly have shown that their two top priorities are for transportation and congregate meals. Not only do these two programs satisfy a need for mobility and food but, also, and perhaps even more importantly, they satisfy a basic human need for sociability among the elderly. For Fiscal Year 1985 the Area XI Agency on Aging, of which Warren County is a part, along with Boone, Dallas, Jasper, Madison, Marion, Polk and Story Counties, provided 704,185 congregate meals. For the first nine (9) months of Fiscal Year 1986, 13,746 unduplicated elderly persons participated in this program. Additionally, for Fiscal Year '86, the Heart of Iowa Regional Transit Agency, comprised of the counties of Boone, Dallas, Jasper, Madison, Marion, Story and Warren, anticipate providing 260,000 units of service for 7,130 different senior citizens in those seven counties. To help pay for these services, the county governments have committed the total of $1,388,484 for these services to the elderly. If general revenue sharing is discontinued or cut drastically, where will local governments get these dollars to continue services that elderly Iowans have come to depend upon? Local property taxes? Impossible. More and more effort is being made by the citizens to put a limitation on property taxes. Along with declines in farm property values, increases in property taxes are necessary to just maintain the current local revenues. Any increase would certainly be out of the question.

Counties, typically, take care of the large-item costs for senior citizens, such as congregate meals, transportation, public health nurses, homemaker assistance and welfare. Cities, typically, contribute to facilities for seniors, in which senior citizens can meet. For example, in Warren County, the city of Norwalk pays rent to a church where senior citizens meet monthly. In Osceola, in Clarke County, the city pays $500 for the monthly mortgage payments on their center for senior citizens. The city of Indianola was forced to cut its contributions from $6,825 to $4,000 for the local Community Action Program to assist senior citizens. The small city of Truro, in Madison County, was forced to discontinue paying rent for a senior citizen building. This is a result of the uncertainty of the status of general revenue sharing. The cities of Hartford and Carlisle, in Warren County, use revenue sharing to rent space for their once-a-month potluck dinner for seniors. These costs go toward the utilities, for special meals and also at Thanksgiving, Christmas and Easter they buy meat and supplies for their potlucks. They also take an occasional bus trip, such as to the State Fair in Des Moines and the National Balloon Competition in Indianola. To quote Polly James, who lives in Hartford and who requested $400, "Most of us seniors do not drive and if we do, we do not drive in congested areas." Therefore, there is a great demand for senior citizen transportation. The Hartford City Clerk, Patty Buzzard, indicates she wishes she had the interest that is allowed to build up from the larger cities' revenue sharing funds. The small towns cannot build up a surplus and do not have buildings for the senior citizens in the community. The city of Winterset, in Madison County, has typically contributed $2,000 to $2,500 per year for its elderly for the multipurpose center and to help transport people to the meal sites. It was forced to eliminate these dollars from its budget because it did not plan on any more revenue sharing. Needless to say, the city council has been bombarded by requests from the elderly.

Next, I would like in my summary, to discuss an area that is difficult to place a dollar value on--that is, the cost of loneliness.

The company of others is one of the most basic of human needs. Life without people has no meaning, with solitude a painful condition. In other words, we all need people; we all need to communicate.

1. Inclusion - the need to feel a sense of belonging. Inclusion needs are satisfied informally or formally. From a public health nurse or homemaker aide visit to formally eating at a congregate meal site.

2. Affection - a desire to care for others and know they care for us.

Being included and feeling cared for are basic social needs. These needs are comparable to food, water and physical safety for the human being to survive. Communication is so important that it is necessary for our physical health. Medical researchers have identified a wide range of medical hazards that result from a lack of close relationships. Socially isolated people are two to three times more likely to die prematurely than those with strong social ties. The type of relationship does not matter. Friendship or community ties--they both increase longevity.

In closing, let me just state that in the rural areas, without a doubt, services to senior citizens are very closely tied to general revenue sharing funds received by local communities. For several years now, funding for senior programs has hung in a delicate balance between local tax dollars, federal dollars and project income, or donations by the seniors themselves. Any drastic decrease by any of the factors would have a devastating effect on the total program. Local governments have maintained their commitment to the program, senior citizens have maintained their commitment. We now look to the federal government to continue its commitment for the health and well being of all citizens, especially for those who are in the twilight of their years and have worked so hard to be able to enjoy an appropriate quality of life for the rest of their years. It is my hope and desire the general revenue sharing program will be continued in the years to come.

Thank you!

Mr. BIAGGI. Mr. Ruvin.

STATEMENT OF HARVEY RUVIN

Mr. RUVIN. Good afternoon, Mr. Chairman, members of the committee, my name is Harvey Ruvin, and I am privileged to be an elected member of the Board of County Commissioners of Dade County, FL. I serve as the second vice president of the National Association of Counties.

I greatly appreciate the opportunity to describe the use of general revenue sharing funds in Dade County, and elsewhere, by county governments, for human services programs, particularly for aging services. I would also say that I would like to endorse and ratify the chairman's comments, opening comments, and to thank him very much, both as member of county government, and as a transplanted Mount Vernonite, from Westchester County, NY. We thank you very much——

Mr. BIAGGI. How long has it been since you were transplanted?

Mr. RUVIN. Well, I am down in Florida now for 31 years.

I graduated from Davis High School—and your leadership, sir, the and the leadership of other persons on this committee and elsewhere in Congress who support general revenue sharing, we also very much appreciate the open-mindedness of those that have not as yet made up their mind. We hope the up and coming debate will help that process.

Before I discuss my county's efforts in helping our aged population, I want to make a few points regarding general revenue sharing, very briefly.

In regard to general revenue sharing and the deficit problem. Local governments are being told, and we have heard this time and again, that the Federal Government no longer has any revenue surplus to share. Well, historically is clear that when revenue sharing was enacted in 1972 there was, in fact, a deficit then, and there has been a deficit in all three reauthorization processes. A review of the history shows that the programs intent was not to share revenues, but to rather to return to local government or to local control a share of the broad Federal tax base to meet the increasing demands that Federal, state and judicial policies have mandated for local implementation. Perhaps a better title for the program would be "The Mandate Reimbursement Act." That might help in the overall understanding of the need for it.

This program, has, in fact, recognized the partnership that counties and cities have had in intergovernmental systems, and the need to enhance local government's restricted revenue raising capabilities.

County governments have, in fact, accepted, as the mayor has said before, their share of Federal budget cuts. The figure is about 24 to 25 percent in real terms over the last 5 years. In that period defense increased by nearly 40 percent, and deficits have, in fact, continued to soar. Revenue sharing and other domestic programs cannot be blamed for the deficit. In fact, GRS has been frozen since 1976.

In regard to mandates, a large amount of the funds county budgets is spent on services counties are required to provide in response

to hundreds of Federal mandates. Preliminary results from a recent NACO survey show that 60 percent of the Nation's counties spend over 40 percent of their total budgets on mandated services.

Many of these services were, in fact, created in response to worthy national objectives defined by the Federal Government, such as a clean environment, improved health care, services for the needy and handicapped, and better jails, to name a few. Thus the very structure for these needs and services have for many years been supported by a Federal, State, and local understanding, the GRS as a cornerstone. It seems only fair that the Federal Government continue to pay for the services that it continues to require our local governments to deliver.

In regard to taxes, because a large portion of GRS funds is spent on essential services and meeting mandated outlays, a congressional vote to cut GRS would, in fact, a direct vote for a local property tax increase. Tax increases of 10, 15, or 20 cents per $100 valuation would, in fact, be required in many counties if GRS is eliminated or seriously cut.

Unfortunately, many counties face tax limitations under State law, proposition 13 in California, proposition 2½ in Massachusetts, are classic examples, and thus find themselves between the rock and the hard place, unable, in fact, to raise their taxes to make up for this loss. In my State of Florida, counties are under a 10 mil cap. In regard to many of our areas we find ourselves directly up against that cap at this point.

Now, with regard to general revenue sharing and aging programs specifically, turning to that issue. Nationwide 62 percent of the counties we surveyed used GRS for health care and human services, and this trend is increasing to fill any gaps left by specific Federal budget cuts. In my home county of Dade County, a county of nearly 2 million people, all of that, which is 100 percent of our GRS money, goes to our department of human services. In fiscal year 1986 our anticipated GRS allocation will total about $21 million. A large portion of our elderly services division would cease to operate without these funds. This division has $6 million budget with $6 million budget with 212 employees, and delivers critical services for our older residents.

General revenue sharing makes adult day care possible. It funds $1 million of the $1.2 million in our county budget for our four adult day care centers. These centers serve 350 frail elderly and help them remain a part of the community, and gives their lives meaning and enjoyment. General revenue sharing makes elderly social services possible. It funds, again, $1 million of the $1.2 million that our county budget for impact social service programs. These programs serve 6,000 residents and include the whole litany of programs from hot meals, education, outreach, information and referral emergency assistance to isolated elderly, and funding for large senior centers and transportation to 14 program sites. Revenue sharing helps them have full lives.

GRS makes home services possible. GRS makes our volunteer program possible. It funds that program which allows retirees to volunteer their services in Dade County, not only to help children, and the ill and the handicapped but also to assist in minority businesses.

Revenue sharing allows them to remain contributing members of our community. Adult day care, impact social services, residential home services, Retired Volunteer Program, are just a few of the many programs that we fund with GRS in the human service, in particularly the elderly programs. We have also funded mental health and mental retardation programs, Shelter Program for Abused Spouses, and alcohol and drug abuse programs. Our county general fund also contributes to our community action agency elderly programs, including Foster Grandparents, Senior Companion, Senior Community Services, Meals on Wheels, and Meals for the Elderly. Another $125 million is spent by my county for physical and mental health care, which includes the operation of Jack Memorial Hospital complex, one of the Nation's major hospital and university partnership programs. We estimate that 40 percent of that budget is, in fact, devoted to care for older Dade County residents. Dade County has critical human services programs, but with the loss of GRS and other budget constraints we would face some very tough choices, between the elderly and our children.

Unless we find additional revenues or reduced funding outside of our human services department, which is an almost impossible task in view of the spectrum of mandates that we face, these programs are going to be cut. Many other counties use a portion of general revenue sharing for aging. I would just to highlight a few of them right now.

First of all, in Maine's Second Congressional District—on that I know that one of your members is extremely knowledgeable about, and I would not presume to know more or cite facts to you, Congresswoman Snowe—but there are 364 governments in your district, which receive nearly $13 million this year in general revenue sharing funds. The U.S. Treasury Department reports that all of these counties in the second district receive GRS funds representing 10 percent or more of taxes raised. Washington County is the highest, with GRS representing 16.8 percent of taxes. The high percentage of GRS as percent of taxes is mostly due to Maine's limited tax capacity as evidenced by its low per capita income, ranking 37th in the United States in 1984, and its relatively high percentage of elderly, 10 percent more than the national average. Local property taxes would have to be raised by approximately 7 percent if GRS is lost. This tax already ranked 13th highest in the United States in 1984.

In rural Lincoln County, ME, the commissioners had invited community groups to request funding during the budget hearings.

Senior citizens in meal sites in Boothbay and Wiscasset have received GRS; they are seriously constricted and they have used GRS to meet their Federal requirements in the building of a new jail.

I can go on; and my written statement does, in fact, go on to site examples of just how GRS is used for elderly programs in Oklahoma, in Arkansas, in Alabama, in South Carolina, in South Dakota, in Ohio, in Kansas, and elsewhere. The fact is that this something that we can find as a constant throughout the Nation.

My esteemed colleague on the panel, the mayor of Lincoln, NE, cited President Reagan's famous and oft-quoted comments early in his Presidency regarding GRS, so I won't duplicate that cite. Instead, let me refer you to another famous person, famous for less

good deeds than President Reagan, Willie Sutton. We are told, Mr. Chairman, that the Federal Government and particularly this administration is after GRS because it is a convenient target. It is a target that they claim they are going after because they need money. That has been their response, we need the money. Well, when Willie Sutton was asked why he committed the last bank robbery that he was sent to jail for, they asked him why, in fact, he did it? And his answer was, "I needed the money."

Well, that was good enough for Willie Sutton, but we hope it won't be good enough for the Federal Government.

I will just conclude by just simply saying that on behalf of the National Association of Counties, we appreciate the opportunity to speak, particularly on behalf of very deserving older Americans that we have in this Nation.

I would be pleased to answer any questions that you may have at this time.

[The prepared statement of Mr. Ruvin follows:]

PREPARED STATEMENT OF HARVEY RUVIN, COMMISSIONER, DADE COUNTY, FLORIDA

GOOD AFTERNOON MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, I AM HARVEY RUVIN, COMMISSIONER IN DADE COUNTY, FLORIDA, AND SECOND VICE-PRESIDENT OF THE NATIONAL ASSOCIATION OF COUNTIES (NACo) WE APPRECIATE THE OPPORTUNITY TO DESCRIBE THE USE OF GENERAL REVENUE SHARING FUNDS, FOR HUMAN SERVICES PROGRAMS, PARTICULARLY FOR AGING SERVICES.

BEFORE I DESCRIBE COUNTY EFFORTS IN AGING PROGRAMS, I WANT TO BRIEFLY MAKE A FEW POINTS ON GENERAL REVENUE SHARING.

GRS AND DEFICITS. COUNTY COMMISSIONERS AND MAYORS HAVE BEEN TOLD BY THE FEDERAL GOVERNMENT "THERE IS NO REVENUE TO SHARE." YET EVEN WHEN GRS WAS FIRST ENACTED IN 1972 AND DURING ITS THREE REAUTHORIZATIONS, THE NATION HAS HAD DEFICITS, NOT SURPLUSES. A REVIEW OF THE HISTORY OF GRS SHOWS THAT THE PROGRAM'S INTENT WAS NOT TO SHARE REVENUES, BUT TO RETURN TO LOCAL CONTROL A SHARE OF THE BROAD FEDERAL TAX BASE--TO MEET THE INCREASING DEMANDS OF FEDERAL, STATE, AND JUDICIAL POLICIES LEFT FOR LOCAL IMPLEMENTATION. THE PROGRAM RECOGNIZES BOTH THE PARTNERSHIP COUNTIES HAVE WITH THE INTERGOVERNMENTAL SYSTEM TO IMPLEMENT NATIONAL RESPONSIBILITIES AND THE NEED TO ENHANCE LOCAL GOVERNMENT'S RESTRICTED REVENUE RAISING CAPABILITIES.

COUNTY OFFICIALS HAVE ACCEPTED MORE THAN THEIR FAIR SHARE OF BUDGET CUTS. YET, THE LARGE DECREASE IN STATE AND LOCAL GRANTS HAS NOT DECREASED THE FEDERAL DEFICIT. WHILE WE HAVE EXPERIENCED A 24 PERCENT FUNDING CUT IN REAL TERMS DURING 1980-85, DEFENSE INCREASED BY NEARLY 40 PERCENT AND DEFICITS HAVE BEEN THE LARGEST IN OUR NATION'S HISTORY. REVENUE SHARING AND OTHER DOMESTIC PROGRAMS CANNOT BE BLAMED FOR THESE DEFICITS. IN FACT, GRS FUNDING HAS BEEN FROZEN SINCE 1976.

MANDATES. A LARGE AMOUNT OF THE FUNDS IN COUNTY BUDGETS IS SPENT ON SERVICES COUNTIES ARE REQUIRED TO PROVIDE IN RESPONSE TO

THE NATIONAL ASSOCIATION OF COUNTIES IS THE ONLY NATIONAL ORGANIZATION REPRESENTING COUNTY GOVERNMENT IN THE UNITED STATES. THROUGH ITS MEMBERSHIP, URBAN, SUBURBAN AND RURAL COUNTIES JOIN TOGETHER TO BUILD EFFECTIVE, RESPONSIVE COUNTY GOVERNMENT. THE GOALS OF THE ORGANIZATION ARE TO: IMPROVE COUNTY GOVERNMENT, SERVE AS THE NATIONAL SPOKESMAN FOR COUNTY GOVERNMENT; ACT AS A LIAISON BETWEEN THE NATION'S COUNTIES AND OTHER LEVELS OF GOVERNMENT; ACHIEVE PUBLIC UNDERSTANDING OF THE ROLE OF COUNTIES IN THE FEDERAL SYSTEM.

HUNDREDS OF FEDERAL MANDATES. PRELIMINARY RESULTS FROM A RECENT NACo SURVEY SHOW THAT 60% OF 775 COUNTIES SPEND OVER 40% OF THEIR TOTAL BUDGETS ON MANDATED SERVICES.

MANY OF THESE SERVICES WERE CREATED IN RESPONSE TO WORTHY NATIONAL OBJECTIVES DEFINED BY THE FEDERAL GOVERNMENT--SUCH AS A CLEANER ENVIRONMENT, IMPROVED HEALTH CARE, SERVICES FOR THE NEEDY AND HANDICAPPED, AND BETTER JAILS. THE COSTS FOR THESE SERVICES FOR MANY YEARS HAVE BEEN SUPPORTED BY FEDERAL, STATE AND LOCAL FUNDS. IT SEEMS OWLY FAIR THAT THE FEDERAL GOVERNMENT CONTINUES TO HELP PAY FOR THE SERVICES THAT IT REQUIRES LOCAL GOVERNMENTS TO DELIVER.

TAXES. BECAUSE A LARGE PORTION OF GRS FUNDS IS SPENT ON ESSENTIAL SERVICES AND MEETING MANDATES, A CONGRESSIONAL VOTE TO CUT GRS IS A VOTE FOR A LOCAL TAX INCREASE. TAX INCREASES OF 10, 15, OR 20 CENTS PER $100 VALUATION WOULD BE REQUIRED IN MANY COUNTIES IF GRS IS ELIMINATED. MOREOVER, MANY COUNTIES FACE TAX LIMITATIONS UNDER STATE LAW: PROPOSITION 13 IN CALIFORNIA AND PROPOSITION 2 1/2 IN MASSACHUSETTS ARE CLASSIC EXAMPLES. IN MY STATE OF FLORIDA COUNTIES ARE UNDER A 10 MILL CAP. FOR THE RURAL NORTHERN FLORIDA COUNTY OF DIXIE, ALREADY AT THE CAP, GRS EQUALS 1.5 MILLS IN PROPERTY TAXES.

GENERAL REVENUE SHARING AND AGING PROGRAMS. I WOULD NOW LIKE TO TURN TO THE USE OF GRS FOR AGING PROGRAMS. NATIONWIDE, SIXTY-TWO PERCENT OF THE COUNTIES WE SURVEYED USE GRS FOR HEALTH CARE AND HUMAN SERVICES, AND THIS TREND IS INCREASING TO FILL IN THE GAPS LEFT BY FEDERAL CUTS.

IN MY HOME COUNTY OF DADE, ALL OF OUR GRS MONEY GOES TO THE DEPARTMENT OF HUMAN RESOURCES. IN FISCAL 1986 OUR GRS ALLOCATION WILL TOTAL ABOUT $21 MILLION. A LARGE PORTION OF OUR ELDERLY SERVICES DIVISION OPERATES USING THESE FUNDS. THE DIVISION HAS A $6 MILLION BUDGET WITH 212 EMPLOYEES AND DELIVERS CRITICAL SERVICES TO OUR OLDER COUNTY RESIDENTS.

GRS MAKES ADULT DAY CARE POSIBLE. IT FUNDS $1.0 MILLION OF THE $1.2 MILLION COUNTY BUDGET FOR OUR FOUR ADULT DAY CARE HOMES. THESE HOMES SERVE 400 FRAIL ELDERLY, AND HELP THEM REMAIN IN THE COMMUNITY INSTEAD OF LIVING IN EXPENSIVE INSTITUTIONS. REVENUE SHARING IS THE MAIN FUNDING SOURCE FOR THESE DESERVING CITIZENS.

GRS MAKES ELDERLY SOCIAL SERVICES POSSIBLE. IT FUNDS $1.0 MILLION OF THE $1.2 MILLION COUNTY BUDGET FOR OUR IMPACT SOCIAL

SERVICES PROGRAMS. THESE PROGRAMS SERVE 6,000 RESIDENTS AND INCLUDE MEALS, EDUCATION, OUTREACH, INFORMATION AND REFERRAL, EMERGENCY ASSISTANCE TO ISOLATED ELDERLY, FUNDING FOR TWO SENIOR CENTERS AND TRANSPORTATION TO 14 PROGRAM SITES. REVENUE SHARING HELPS THEM HAVE FULL LIVES.

GRS MAKES HOME SERVICES POSSIBLE. IT FUNDS $2.2 MILLION OF THE $2.6 MILLION BUDGET FOR RESIDENTIAL HOME SERVICES. THE COUNTY PROVIDES PERSONAL HOME CARE SIX DAYS A WEEK AND EMERGENCY CARE ON SUNDAY. OVER 1,800 DADE COUNTY RESIDENTS ARE SERVED ANNUALLY. REVENUE SHARING HELPS THEM REMAIN IN THEIR HOMES THAT THEY WORKED ALL THEIR LIVES TO MAINTAIN.

GRS MAKES OUR VOLUNTEER PROGRAM POSSIBLE. IT FUNDS $50 THOUSAND OF OUR $200 THOUSAND PROGRAM ENABLING 1,600 RETIREES TO VOLUNTEER THEIR SERVICES IN DADE COUNTY. REVENUE SHARING ALLOWS THEM TO REMAIN CONTRIBUTING MEMBERS OF THE COMMUNITY.

ADULT DAY CARE, IMPACT SOCIAL SERVICES, RESIDENTIAL HOME SERVICES, AND THE RETIRED VOLUNTEER PROGRAM ARE JUST A FEW OF THE PROGRAMS FUNDED BY GRS. WE HAVE ALSO FUNDED MENTAL HEALTH, MENTAL RETARDATION, THE SHELTER PROGRAM FOR ABUSED SPOUSES AND ALCOHOLISM/DRUG ABUSE PROGRAMS. OUR COUNTY GENERAL FUND ALSO CONTRIBUTES NEARLY $500 THOUSAND TO OUR COMMUNITY ACTION AGENCY ELDERLY PROGRAMS, INCLUDING FOSTER GRANDPARENTS, SENIOR COMPANIONS, SENIOR COMMUNITY SERVICES, MEALS ON WHEELS AND MEALS FOR THE ELDERLY. ANOTHER $125 MILLION IS SPENT BY THE COUNTY FOR PHYSICAL AND MENTAL HEALTH CARE. WE ESTIMATE THAT 40 PERCENT OF THAT BUDGET IS DEVOTED TO CARE FOR OLDER DADE COUNTY RESIDENTS.

DADE COUNTY IS VERY ACTIVE IN HUMAN SERVICES PROGRAMS. BUT WITH THE LOSS OF GRS AND OUR BUDGET CONSTRAINTS, WE WOULD POSSIBLY FACE SOME VERY TOUGH CHOICES--BETWEEN THE ELDERLY OR OUR CHILDREN--UNLESS WE FIND ADDITIONAL REVENUES OR REDUCE FUNDING OUTSIDE OF OUR HUMAN RESOURCES DEPARTMENT.

MANY OTHER COUNTIES USE A PORTION OF GRS FUNDING FOR AGING. I WOULD LIKE TO NOW HIGHLIGHT A FEW OF THEM, ESPECIALLY RURAL COUNTIES.

GRS/AGING LINK IN OTHER COUNTIES

MAINE. IN MAINE'S SECOND CONGRESSIONAL DISTRICT, REPRESENTED BY THE RANKING MINORITY MEMBER OF THIS SUBCOMMITTEE, OLYMPIA SNOWE, 364 GOVERNMENTS WILL RECEIVE NEARLY $13 MILLION IN GRS THIS YEAR. THE U.S. TREASURY DEPARTMENT REPORTS THAT ALL OF

THE COUNTIES IN THE SECOND DISTRICT RECEIVE GRS FUNDS REPRESENTING 10 PERCENT OR MORE OF TAXES RAISED. WASHINGTON COUNTY IS HIGHEST, WITH GRS REPRESENTING 16.8 PERCENT OF TAXES. THE HIGH PERCENTAGE OF GRS AS PERCENT OF TAXES IS MOSTLY DUE TO MAINES LIMITED TAX CAPACITY AS EVIDENCED BY ITS LOW PER CAPITA INCOME (RANK 37 IN U.S. IN 1984) AND ITS RELATIVELY HIGH PERCENTAGE OF ELDERLY (10 PERCENT MORE THAN THE NATIONAL AVERAGE). LOCAL PROPERTY TAXES WOULD HAVE TO BE RAISED BY 7 PERCENT IF GRS IS LOST. THIS TAX ALREADY RANKED 13 HIGHEST IN THE U.S. IN 1984.

IN 1984, MAINE COUNTIES SPENT 63 PERCENT OF THEIR GRS ON POLICE AND CORRECTIONS. ANOTHER 10 PERCENT WENT TO HEALTH AND HUMAN SERVICES. FOR EXAMPLE, FRANKLIN COUNTY SPENDS 40 PERCENT OF ITS GRS FOR ITS WEST MAINE TRANSPORTATION SYSTEM FOR LOW INCOME PERSONS AND SENIOR CITIZENS AS WELL AS THE TRI-COUNTY MENTAL HEALTH AGENCY, THE COMMUNITY ACTION COUNCIL AND FRANKLIN COUNTY ADULT BASIC EDUCATION. THEY ARE PARTICULARLY CONCERNED ABOUT COPING WITH THE JULY AND OCTOBER QUARTERLY PAYENT CUTS THAT THEY COULD NOT PLAN FOR.

SOMERSET COUNTY HAS USED NEARLY ALL OF ITS GRS IN THE PAST FOR SOCIAL PROGRAMS. LATELY, THEY USED IT TO MAKE THE COURTHOUSE ACCESSIBLE TO THE HANDICAPPED. NOW THE MONEY GOES TO THE SHERIFFS DEPARTMENT.

OKLAHOMA

IN HUGHES COUNTY, A VERY RURAL COUNTY WITH A POPULATION JUST OVER 14,000 PEOPLE, GRS REPRESENTS 20 PERCENT OF THE BUDGET. PART OF IT GOES TO PAY FOR FUEL FOR THEIR SENIOR CITIZEN'S BUSES.

TULSA COUNTY USES 22 PERCENT OF ITS GRS FOR DIRECT HUMAN SERVICES, INCLUDING ITS SENIOR CITIZEN CENTS, MEALS ON WHEELS AND HOME HEALTH CARE.

ARKANSAS

IN ARKANSAS, HALF OF THE COUNTIES THAT RESPONDED TO OUR SURVEY USE SOME GRS MONEY FOR AGING SERVICES.

IN BAXTER COUNTY, POPULATION 30,000, THEIR THREE SENIOR CITIZENS CENTERS HAVE ANNUALLY RECEIVED GRS MONEY. BUT WITH THE FUNDING UNCERTAINTY, THE COUNTY IS NOW FUNDING ITS ENTIRE SHARE THROUGH ITS GENERAL BUDGET. LOCATED IN THE OZARKS THE ELDERLY MAKE UP OVER 27 PERCENT OF THE POPULATION. GRS HAS HELPED SERVE

227 RESIDENTS THROUGH THE SENIOR MEALS PROGRAM, IN TOWNS SUCH AS BIG FLAT (400 POP.) NORFOLK (700 POP.) AND GASTON (1,000 POP.). THIS SMALL COUNTY HAS ALSO BUILT WITH ITS OWN MONEY AN ADULT DAY CENTER THAT CURRENTLY SERVES 35 PEOPLE.

HOT SPRING COUNTY HAS SPENT ABOUT HALF OF ITS $300 THOUSAND ALLOCATION TO MEET THE NEEDS OF BUILDING A NEW JAIL, PROVIDING HEALTH SERVICES, EDUCATION FOR EXCEPTIONAL CHILDREN AND SERVICES AT THE SENIOR ADULT CENTER. ABOUT 100 PEOPLE PER DAY PARTICIPATE AT THE CENTER.

ALABAMA

IN ALABAMA, THIRTEEN OF THE 21 COUNTIES THAT RESPONDED TO OUR SURVEY USE A PORTION OF GRS TO SERVE THE ELDERLY.

BIBB COUNTY (16,000 POP.) RELIES VERY HEAVILY ON GRS AND PROVIDES THE ELDERLY WITH HEALTH CARE AND OTHER SERVICES. OVER 20 PERCENT OF THEIR GRANT GOES DIRECTLY TO THE ELDERLY. THEY ARE VERY CONCERNED ABOUT THE FUTURE OF THOSE SERVICES IF GRS IS ELIMINATED.

BARBOUR COUNTY (25,000 POP.) SPENDS ABOUT $30 THOUSAND OF ITS GRS (20 PERCENT) ON THE ELDERLY. THE MONEY HELPS PAY FOR MEALS, SENIOR CENTER STAFF AND TRANSPORTATION. THEY TELL US THAT AN INDIRECT BUT INCREASING COST OF OPERATING THE PROGRAM IS PAYING FOR THE LIABILITY INSURANCE OF OPERATING THE BUSES THAT TRAVEL TO THE TWO SITES.

SOUTH CAROLINA

IN GEORGETOWN COUNTY, 11 PERCENT OF ITS GRS BUDGET GOES TO SOCIAL SERVICES AND 29 PERCENT TO HEALTH CARE. THE COUNCIL ON AGING IS ONE OF THE BENEFICIARIES OF THE PROGRAM.

SOUTH DAKOTA

AURORA COUNTY (3,500 POP.) SPENT OVER HALF OF ITS $66,000 GRS ALLOCATION IN 1984 ON AN AMBULANCE AND ITS SENIOR CITIZENS CENTERS. THERE ARE 2 SENIOR CENTERS FOR THE COUNTY'S THREE TOWNS. ABOUT 100 RESIDENTS DEPEND ON THESE SERVICES EACH DAY. THE BUS AND AMBULANCE, BOUGHT AND MAINTAINED BY GRS, TRANSPORT AURORA COUNTY RESIDENTS IN NEED OF HOSPITAL CARE OR OTHER SERVICES 90 MILES TO SIOUX FALLS.

OHIO

IN HIGHLAND COUNTY (34,000 POP.) OVER HALF OF ITS GRS GRANT WENT TO THE SENIOR CITIZEN'S CENTER. THE MONEY MADE UP THE ENTIRE BUDGET OF THE CENTER. AS OF THIS JUNE HOWEVER, THE COUNTY MADE A TOUGH DECISION NOT TO FUND THE CENTER BECAUSE OF DOUBTS ABOUT ADDITIONAL GRS FUNDS. AS A RESULT, THE NEARLY 3,000 MEMBERS OF THE CENTER ARE SEARCHING FOR OTHER FUNDS TO CONTINUE IT.

KANSAS

REPUBLIC COUNTY (7,400 POP.) USES A PORTION OF ITS GRS TO PAY FOR 40 PERCENT OF ITS TRANSPORTATION SERVICE FOR THE ELDERLY AND 20 PERCENT OF ITS AMBULANCE SERVICE. THREE DRIVERS AND TWO BUSES ARE USED TO BRING THEM TO THE SENIOR CENTER . THEY ARE WORRIED THAT THE LOSS OF GRS MAY SEVERELY CURTAIL THE PROGRAM. THEIR SMALL COUNTY DOES NOT HAVE THE REVENUE BASE TO MAINTAIN SERVICES.

NEW JERSEY

ACCORDING TO THE OFFICE OF REVENUE SHARING, NEW JERSEY COUNTIES SPEND 44 PERCENT OF THEIR GRS ON HEALTH AND WELFARE.

BOTH SOMERSET AND MIDDLESEX COUNTIES SPEND NEARLY ALL OF THEIR GRS TO MEET THE STATE MANDATE OF FUNDING INDIGENT PATIENTS IN STATE MENTAL INSTITUTIONS.

CAPE MAY COUNTY SPENDS 84 PERCENT OF ITS GRS ON CORRECTIONS WHILE UNION COUNTY DEVOTES 90 PERCENT OF ITS GRS TO HEALTH CARE.

REVENUE SHARING IS A PROGRAM THAT WORKS. MILLIONS OF OLDER AMERICANS BENEFIT FROM THE PROGRAMS THAT GRS FUNDS. WITHOUT IT, MANY COUNTIES, PARTICULARLY THE RURAL ONES I MENTIONED, WILL BE HARD PRESSED TO FIND ALTERNATIVE RESOURCES TO CONTINUE THE PROGRAMS.

ON BEHALF OF NACo, WE APPRECIATE THE OPPORTUNITY TO TESTIFY. I WOULD BE PLEASED TO ANSWER ANY QUESTIONS YOU MAY HAVE.

Mr. BIAGGI. We appreciate your analogy.

Mr. RUVIN. It was really Mario Cuomo's analogy when he spoke to NAC at our annual conference. I thought it was so good, since I was preempted on quoting the President, I thought I would quote it.

Mr. BIAGGI. There is another one that I think is available. You know, David Stockman at one time testified before our various committees—irrespective of the programs, clearly came and recommended a diminution, to say the least, if not a complete termination of the funding—and reminded me of the fellow that said, "Why do you climb that mountain?"—it was the Himalaya or whatever it was—and he said, "Simply because it is there."

There is no doubt at the outset that the administration is going after all the money they can get. And the larger the target, the more attractive it became. But we will try to resist it as much as possible, especially in this area.

Mr. BIAGGI. Mr. Mayor, how will the aging services be replaced if the current revenue funding was terminated?

Mayor LUEDTKE. Well, it would not be replaced, but what would happen is that we would be shifting probably, some of our responsibilities and shifting some of the taxes to other places. In other words, we will probably continue in a diminished fashion, we will probably be having to cut some of the, for example, senior centers.

We have already looked at having to consolidate senior centers in our cities. This is a very real probably of what would happen. We would still have services available, as you understand, but we would have to diminish the total service by consolidating.

We would also have to, in order to make it up, we would either have to shift the responsibility of taxation to other areas, to fees and other areas, because we could not charge fees for the seniors, because they just simply cannot afford it. We would go to our eight-county area, the rural counties, also using revenue sharing for this purpose, simply cannot do it and we can't ask the citizens of Lincoln, for example, to pay for the seniors in the other counties. So what we are going to have to do is to shift to other taxing areas, but fees in other areas if not in the aging area.

It is a "we prioritization," I guess would be the simple way of telling you what is going to happen.

Mr. BIAGGI. In the final analysis, as you have said, there will be a diminution?

Mayor LUEDTKE. That is correct.

Mr. BIAGGI. How substantial a diminution do you expect?

Mayor LUEDTKE. Well, substantial enough that last night, I just might relate to you, I had a cable vision town meeting on my upcoming budget, which I will present to the council on June 9, and my state of the city, and many of the calls that came in were of sufficient concern about what is going to happen to aging services, what is going to happen to senior centers, these hopes are really a concern, as well they might be because these folks have no other place to go, as was mentioned out certainly, in Iowa—where people either they can't drive, in our city they have to rely on mass transit, which is also affected in other ways, by cutbacks, and it is just going to be a very serious blow to the individual. And I come back

to my original statement that it is the effect on the individual, the human being, the human family that is involved.

Mr. BIAGGI. How typical is Lincoln, NE, with respect to its use of revenue sharing funds for aging services?

Mayor LUEDTKE. Mr. Chairman, I don't think we are very typical; I think we are very nontypical because of two reasons. First the fact that we expend part of the 90 percent of the revenue sharing in this one area of aging, and probably during much of the revenue sharing for health delivery services with home nurse care, which also helps aging citizens. So, I would say we are not very typical.

I would like to think, however, that we are trying to find any of that which we feel is vitally necessary prioritywise for the people of our community and for other places in the country.

Mr. BIAGGI. And 90 percent goes to aging services?

Mayor LUEDTKE. To the aging services, yes, sir.

Mr. BIAGGI. Dade County does well; $21 million goes to human resources, $5 million of that goes to specific, transportation, home care service, but that is not clear enough. How does that $21 million impact on aging services, commissioner?

Mr. RUVIN. We spend approximately 40 percent of that on aging programs. The remainder going to other human service programs. Also, you can't really isolate because——

Mr. BIAGGI. I am talking about direct. Forty percent goes to direct services?

Mr. RUVIN. Yes.

Mr. BIAGGI. Mr. Ruvin, do you feel local governments have been as forthcoming as they could have been in providing reports about the use of the revenue sharing funds?

I raise this issue because I contend that if there was more knowledge about what you folks are doing, as far as the use of GRS funds are concerned, the program would not be in trouble.

I go back and moved up with GRS at the outset, I was on the committee at the time, we had five mayors testifying. We knew the threat; we knew the temptation for the chief executive of a local subdivision to take that money and substitute that money for the regular tax levy dollars. The whole pledge, they wouldn't do it. I don't think anyone kept the pledge. I think that is one of the problems here.

Mayor LUEDTKE. Mr. Chairman, I agree with you. I think that one of the real problems that we have is the matter of communication of how really important this is to your own community.

And speaking for the Conference of Mayors for all cities, we have blown our horn loud enough or made enough public relations visible to the general public—because even the seniors themselves, that we are talking about, do not realize until they see their senior center being consolidated, then they say, what is happening to us; then we explain. So we are probably remiss in not not only conveying to Washington, but also to our people how it is being used.

Mr. BIAGGI. However, we are able to consider New York, because Commissioner Koch, and Commissioner Sainer, who is here with us today, were able to sustain the continued existence of the senior centers, despite there very substantial cut. But there comes a point where you can't do it any further.

I have a number of other questions, but we will get back to them. Ms. Snowe.

Ms. SNOWE. Thank you, Mr. Chairman.

I want to thank the witnesses for their testimony. Obviously, it is a difficult issue. There is no question that ending revenue sharing affects some of the services that you support at the local level. This suggest that there may be an increase in taxes for the localities. There is no question that such an increase would occur in my own district and my own State.

Since revenue sharing dollars have not increased in real dollar terms since the inception of the program, could you tell me if in each of your States and communities you have raised taxes over the last few years in order to accommodate the changes in the Revenue-Sharing Program.

Mayor LUEDTKE. I could respond in this way. Last year the people of the city of Lincoln went to the polls and voted 72 percent to increase sales tax, which is part of our revenue sources in Lincoln, voted 72 percent to increase sales tax to make more equitable our tax base. And part of the argument that we made in selling this increase of sales tax, we have a total of 1½ percent for the city, out of 5 percent for the State, which collects it, and we receive 1½ percent, part of the selling point was that we are not increasing in any revenue sharing and that there is the likelihood of losing revenue sharing.

We have so many other losses too along the way that it is making great impact on my present budget. But real estate taxes this year will increase as a result of these, no doubt about it. In fact, they are getting tired of hearing me say it. But I have to be honest with you, it will.

Ms. SNOWE. Ms. Hardin.

Ms. HARDIN. We are floating along on increased assessed valuation, so it appears we have more money. We are reluctant to—well, we have not raised taxes. We have been floating on assessed valuation primarily.

We do not want to raise taxes, because we work so closely with the people. We are right there with them. And when you see people without anything, if they still own their farms, in many cases the banks or FHA own them, but if they still own them and they are liquidating what they have you cannot turn around and say, we are rising your taxes.

So, we have been trying very hard not to hit our people hard, so that they do not have a double whammy, so to speak.

Ms. SNOWE. Mr. Ruvin.

Mr. RUVIN. Yes, Congresswoman, we have a $1.5 billion budget in Dade County. We have over the last 5 years increased our property taxes 25 percent, and added new user fees, and increased old user fees substantially.

The National Association of Counties survey of counties nationwide has shown a similar reaction because with the Federal budget cuts in the areas of specific programs, grant application areas, and other areas, block grant programs, those moneys had to be made up by increased property taxes.

The point that I would try to underline is that most areas now find themselves either up against a legal cap, or up against a moral

cap, with property taxes already overburdened in terms of the percentage that should be taken from property tax. So, yes; we have had to increase in our ability to respond further to further cuts, is greatly constricted, if not eliminated.

Ms. SNOWE. Have your State governments given any indications as to how they might meet the gap in dollars in the event that Congress terminates the Revenue-Sharing Program?

It is uncertain as to what approach the Congress is going to take at this point. As I said earlier the House budget resolution left the door open for the continued funding of revenue sharing in the event that the Congress passes a reauthorization of that program.

I am wondering what indications your State governments have given in terms of filling the gaps in some of those services that might be lost as a result of the determination?

Mr. RUVIN. In Florida, we do not have a State surplus. So, we have of course——

Ms. SNOWE. Excuse me; are you required to have a balanced budget in Florida?

Mr. RUVIN. State or local?

Ms. SNOWE. State.

Mr. RUVIN. Yes; I believe so, and local government as well.

We don't anticipate particularly since State revenue sharing is a dead issue for several years now that there would be help coming from our State legislatures.

Ms. SNOWE. Ms. Hardin.

Ms. HARDIN. No help, because they seem to be having cutbacks too, and so it trickles down for us, and we have people coming in like from JTPA for instance, or some of those types of agencies wanting extra dollars for youth programs and such, and so if they get cut back then they come into the counties to see if they can make up some dollars.

I do have something else to say on our budget. In the State of Iowa, the State has taken over most of the court costs, or a lot of the court costs, so we did not decrease the budget by those dollars, that is how we have been able to stay even, is by consuming those dollars with the increase. And also we cut out our ambulance department, completely. We do things like, that when we see there is no longer a need, an attrition or drop people to keep our budget from increasing, or our tax dollar from increasing.

Ms. SNOWE. Does Iowa require a balanced budget?

Ms. HARDIN. Yes.

Ms. SNOWE. It does?

Ms. HARDIN. Yes.

Mayor LUEDTKE. I can speak of Nebraska, Congresswoman, because Nebraska cannot have any indebtedness. The State itself had to increase income tax in its last session, a very torrent session, as to trying to cut costs, cut people, cut everything.

They have also cut any subsidies to the local governments. In fact, they cut our mass transit very drastically. We know that in the next session there will be even more attempts to cutting any and all sharing to the local government, something that was a trust years ago—when Congressman Bereuter and I were in the legislature, we made a trust for the people that we would provide

this entity, and it will not be provided so we don't look to the States for that.

I might also refer you to the testimony of record, on page 5, a graph shows the cities overwhelmingly believe the States will not compensate for lost Federal funding. You will notice 85 percent, the source of the impact on American cities of fiscal year 1986, U.S. Conference of Mayors, March 1985.

If you would look at that there is not much confidence in the States doing anything for us.

Ms. SNOWE. I gather from the testimony that all of the revenue-sharing funds in each of your counties or communities are integrated with other funds for supportive programs, and are not used separately?

Mr. RUVIN. Very much so; as a matter of fact they leverage other funds, and they are actually the source of matching funds for other programs, State and Federal moneys. We are not just looking—when we see the loss of revenue sharing—at the loss of those dollars, but the loss of other dollars that are being leveraged as well.

Mayor LUEDTKE. We fill in, as I mention in my primary testimony, where we have other categorical programs, and other funding and sources, they have filled in, the revenue sharing has filled in that gap; we relied it to do just that. That is why we put such a great portion of our money of revenue sharing into aging programs, because of our priorities, but that can no longer be. When it is gone, it is gone.

Ms. SNOWE. Can you tell me, in your opinion, if you think that the loss of revenue-sharing funds will affect either urban areas or rural areas more significantly. I know it is a difficult quesiton to answer since Congressman Biaggi, our chairman, represents the New York area, and I represent Maine areas. But I notice, for instance, in some of my communities, as you suggested Mr. Ruvin, that revenue-sharing funds do represent a greater percentage of the revenues locally, and it is difficult to raise that money through property taxes, property taxes are not only a regressive form of taxation, but also the people aren't able to pay additional property taxes or even maintain their homes.

Mayor LUEDTKE. I would just like to say that in the State of Nebraska, some of the rural areas, small communities, small towns, that is probably the only help they got, and they just don't have any other place to turn. In fact, the small towns in Nebraska also went to the legislature this last year and asked for sales tax, something they had never done before, and asked the larger cities to help them get it, and we did. The Governor signed it. They are now going for sales tax.

They don't have anyplace to go. We have other funding much easier than they do, but we are in enough trouble without that; but they are in even worse trouble.

Mr. RUVIN. I don't know, I think going over it knows no geographical downs or bounds of rural/urban nature. In my testimony I talked about Dade County; it is certainly an urban area, and yet there are other examples in my testimony of rural areas as well. The needs change a little bit, but I found it very poignant in some of your comments regarding the human aspect of this. And that remains constant wherever you are.

If I might take this opportunity as well since I was the only member of the panel that was not introduced by his Congressperson, I wanted to let you know that my Congressperson told me that—he asked me to extend apologies for not being here, he had to chair a meeting of the Rules Committee, but he is nevertheless very involved in problems of the aging, as I am sure you are aware, Congressman Pepper.

Mr. BIAGGI. If you weren't so fully transplanted, I would have done it.

Mr. RUVIN. Well, thank you, I appreciate that.

I understand we have somebody from Westchester County, I understand, running for Governor of New York.

Ms. SNOWE. I appreciate your testimony. Thank you all very much. I think you provided the committee with some very valuable statistics on the impact of the loss of revenue sharing. I thank you for your contributions.

Mr. RUVIN. We were told that we had no chance to win this fight about 6 months ago, 8 months ago, and I think that what we have been trying to do with the Conference of Mayors and with NACO, is to get the clients of these programs involved to bring about an awareness.

I think another problem, if I may just add this, that I am beginning to sense is that you have got a lot of things on your agenda, and one of the difficulties with the changeover in 1972 from the strict grant program to the GRS, which, of course, is so much more efficient, and has so a low administrative cost to it, that was the basic reason for the switch over, was that prior to general revenue sharing when things happened in your district, you were much more involved, you were brought into the process a lot more. If the new jail was funded, or if it was something that came down from Washington, the announcement came from the Congressperson's office, they were involved and they were able to get more visibility from it.

I don't mean that in a negative sense. They deserved it and they continued to deserve it but the problem is that GRS sort of them put them out of the loop. I think that we can continue with an authorization that allows us to go forward.

That would be one element that I would like to see put back in. That we carve out a more definitive role for Members of Congress in process so that they can be kept more apprised and aware and be a part of the whole success of the program.

Mr. BIAGGI. May I inquire within that scope, Commissioner, but when we had revenue sharing, we put it all into local hands and maybe we should monitor it in a different fashion. I think it calls for it, really.

Mr. RUVIN. I do, too.

Mr. BIAGGI. The absence of monitoring it, and the practice, the abuse of the application of those dollars and contravention of their initial purposes is what has jeopardized general revenue sharing. But, again, you said something at the outset that it didn't look like we were going to win, and I agree, but you know what Yogi Berra said, "It ain't over til it's over."

Mr. RUVIN. Well, it is not going to be over. We are going to win this battle with your help.

Mr. BIAGGI. There are 39,000 political subdivisions involved here, and related to them is the grassroots, clearly, it is reflected in the committee action.

Mr. RUVIN. We are very grateful to all of you.

Mr. BIAGGI. Mr. Lightfoot.

Mr. LIGHTFOOT. Thank you, Mr. Chairman.

We were talking a minute ago about how Nebraska cannot occur debt and neither can Iowa; we are not allowed to borrow money. I hope they never are.

If they want to see a good example of what happens when you are allowed to borrow money, look at the Federal budget, and where we are today, because that is exactly why we are in the trouble we are in.

I will be the devil's advocate for a minute or two. I am asking the questions more for a response than whether I really believe in it, but I can only get your response to it.

Worst case scenario: If revenue sharing ends this year, what is going to happen to these programs?

Take a shot, any of you.

Ms. HARDIN. We haven't started appropriating yet. We appropriate dollars. We finished our budget, of course, by the March 15 deadline, but our appropriation comes at the end of June, and that will be when we start going back through the budget and deciding what will receive appropriations, and what will not, and then that is when we will start cutting again.

Mr. LIGHTFOOT. Deciding where you will have to make the cuts?

Ms. HARDIN. Yes.

Mayor LUEDTKE. Just like that I mentioned, Congressman, the repriority process, which is already going on in Lincoln, NE, and certainly the counties that are in our area aging agency. But it is agonizing because of the impact on the individuals, themselves, and their failure to understand how this all fits together and why must they give up their senior center, why must they suffer the lack of services.

The real offset of this thing is also that the city councils want to take care of the squeaking wheel, so to speak, when the publicity comes out and says, you are going to close these senior centers, they would say, let's not do that. But what they might do, and this is what we face, is that they might take away a counselor who is very important to keeping people in their homes. What I feel is very personally, that keeping older people in their own homes—this goes to the tax issue of why we can't have increased real estate taxes for fixed income and that sort of thing. It is involved in all of these things.

We have to watch the entire picture. It is very involved as whether or not we are going to end up shifting priorities, that we don't injure or damage the program even more, unseen, that is the thing that is very difficult to assess.

Mr. LIGHTFOOT. Mr. Ruvin.

Mr. RUVIN. I think that is the gut question. The answer to it without over dramatizing is that we are going to be creating another kind of deficit, because the programs definitely will be cut.

Sure, we have to wait the budgetary process and hold our hearings and all that, but I know the inevitable is going to be that we

are going to have to fund those areas that we are mandated to perform. We can't raise property taxes in Dade County either. So the programs will be cut.

There is going to be created in this Nation another kind of deficit, a human deficit. I keep hearing those people who talk about the Federal financial deficit in terms of let's be responsible, and let's not visit upon our children and their children this tremendous mortgage. There will be another kind of mortgage that we are delivering to them, a human deficit. And not just now where we are focusing on the aspect of it that deals with the seniors, but GRS has other applications as well.

We are seeing in the tax reform, there will be a tremendous deficit in infrastructure and deferred maintenance, and that affects all citizens, including the elderly. So we don't have very many choices. The choice that will be left to us will be to start cutting corners in the programs, and eliminating the benefits from many people, and those people will suffer in a most real and poignant way.

Mr. LIGHTFOOT. OK; next scenario, let's say that we are able to follow through and be successful with what we have proposed out of the Government Operations Committee, which is a 3-year extension of revenue sharing, with the knowledge today that you have got 3 more years and then it is going to end, how would you prioritize your programs with—you know, where would you go with your cuts the first time, or would you try to find some additional funding?

Ruth, do you want to start with that?

It doesn't make any difference, which one——

Mr. RUVIN. I just wanted to say that the fact that the millage cap is there will not change, and unless you are telling me that along with this there will be a reduction of mandates, that won't change. So whether it happens now or 3 years from now you are talking about a drastic impact on these programs.

So, what I hope will change in the next 3 years, if we have this reauthorization, is that we can start to examine this program, and instead of—we heard the chairman talk about some of the problems, some of the misuses, and some of the lack of keeping the Congress apprised of what is happening, that is a communication lack on our part—instead of throwing out the program at the end of 3 years, we will have to correct these problems and to make sure, to perhaps make the programs more need oriented, to build in a place for Congress in the loop, and to do some other things that would be necessary to preserve the program, not just for 3 years, but as part of a long-term partnership in our federal system.

Mayor LUEDTKE. I would say, Congressman, that the answer to that would be that we would be able to at least make people aware of what is happening to them—and this goes back to the chairman's question before—but it would also make them aware that it is going to be like the old thing on television, "pay me now or pay me later," one way or another the people of America are going to pay for these services.

About 3 weeks ago I keynoted a group of social agency directors and board members in St. Louis, private social agencies, and one of the things that I mentioned in my keynote was the pressures on foundations, and United Fund agencies, and througout this entire

country, it is getting immense and enormous. They would have to gear up for that kind of private input into the social programs, human service to every programs in this country.

Now, maybe if that is the way we want to go then maybe we would have some time to at least let everybody know and become aware that this is the direction we are heading, and this is the way we must pay for the aging programs, the other human services program, health delivery, and everything.

Mr. LIGHTFOOT. The last question, you can tell me is as a yes or no.

In my perception, the senior citizens centers and the congregate meal sites, at least in our State, are very successful. They do a good job. We identified problems with the food pantries being empty back before Christmas, and we were able to raise over $70,000 worth of food that has been distributed throughout the district, in other words, neighbors moved in to help neighbors.

Does that potential exist for the congregate meals and the senior programs, that possibly just going to the private sector in some fashion, rather than through contributions or whatever, does that have any merit?

Mayor LUEDTKE. Yes; we are doing it already.

Ms. HARDIN. Complete support of the program?

Mr. LIGHTFOOT. Partial.

Ms. HARDIN. We have a high contribution rate in Warren County for our congregate meals sites and for transportation.

Mr. LIGHTFOOT. Do you think you could get enough to support it totally or not?

Ms. HARDIN. Totally, no; because a lot of the people that come in are on fixed income and if they paid the complete cost, which is like $3 a meal each day to come in each day per month, I do not think that they will be coming. So the cost will go up——

Mr. LIGHTFOOT. My parents participate in the one in my hometown, basically because it is good company. They can afford the $3 or whatever it is. They would be happy to pay.

Ms. HARDIN. A lot of people cannot. A lot of people who do can afford to pay and do not, of course. There is always that problem. But there are some people who will not come if they have to pay the full rate.

Mr. LIGHTFOOT. We need to move on here. If we have anymore questions we will send them to you in writing.

Mr. BIAGGI. Thank you very much, Ms. Hardin, Commissioner, Mr. Mayor.

The next panel, Robert Ahrens, commissioner, department of aging and disability, Chicago. And I am delighted to be in a position to introduce the commissioner from New York City Department of Aging, who has established herself as certainly a friend of the aging so indelibly that when you say Janet Sainer, you saying aging, although she remains eternally young.

Janet.

PANEL TWO: CONSISTING OF JANET SAINER, COMMISSIONER, NEW YORK CITY DEPARTMENT FOR THE AGING, NEW YORK, NY; AND ROBERT J. AHRENS, COMMISSIONER, DEPARTMENT OF AGING AND DISABILITY, CHICAGO, IL

STATEMENT OF JANET SAINER

Ms. SAINER. I am Janet Sainer, commissioner of New York City Department of the Aging, and I am speaking not only today in behalf of New York City and its department for the aging and its elderly, but mainly on behalf of the National Association of Area Agencies on Aging, NAAAA. NAAAA represent the 672 area agencies on aging across the country who fulfill your congressional mandate to coordinate all community services for the elderly at the local level.

NAAAA is concerned with the well-being of the Nation's elderly, and the effect Federal policy on individual older people and those who endeavor to meet their health, financial, and service needs. I am pleased that you have afforded me an opportunity to comment before this subcommittee on how general revenue-sharing funds have benefited older persons throughout our country and the losses to the elderly if these funds are eliminated or reduced.

According to the national data base on aging, an information source sponsored by NAAAA and NASUA, the National Association of State Units on Aging, 41 States report general revenue-sharing funds flowthrough area agencies on aging to implement services for the elderly and this particular piece totaled $2.8 million in 1984. But it is important to note here that this amount does not include the general revenue funds that a city or county receives that they may allocate directly to senior service programs, and not directly through the area agency.

General revenue-sharing funds benefit the elderly within the community, I think, in one of three ways: Funds flow to senior services through area agencies, utilizing their community planning process to identify the most critical needs; funds also flow to local senior service agencies, that get it directly; all funds are allocated to other basic services, such as police and fire departments, or schools, allowing local revenues to support senior services.

Sixty percent of those area agencies on aging utilizing revenue-sharing are housed within county governments. Twenty percent are private nonprofit area agencies, 13 percent are area agencies sponsored by cities; 7 percent are area agencies within councils of governments. The majority of area agencies report that revenue-sharing funds are allocated for senior transportation programs, senior meal programs, and senior center operations.

In making contact with area agencies on aging that do have general revenue-sharing funds directly allocated to them from municipalities to plan and implement services for the elderly, it appears that funds are utilized in a variety of ways. Specifically, in Maricopa County, AZ, the Area Agency on Aging used 12 percent of the funds for home delivered meals and 10 percent for the funds for adult day care. It also supports five senior centers in the city of Phoenix through this resource. If revenue-sharing is cut in this community, it is unlikely that their local government could make up any shortfall. The State of Arizona has established statutory

budget limitations that apply to general revenue sharing of local municipalities which focus on supporting other government basic functions, such as police and fire.

In Burlington, IA, the Area Agency on Aging utilizes general revenue-sharing funds to cooperatively support a senior transportation program with the regional transportation authority. Funds are also used to address the growing need for home delivered meals, which as you know, has funding limitations under the Older Americans Act. Additionally, the agency covers the operations, such as utility bills of their senior centers with their revenue-sharing funding, if these fund are eliminated, this community will be unable to serve adequately, needy older persons in thier homes requiring nutrition assistance.

Through the eyes of the private nonprofit Champlain Valley Area Agency on Aging in Winooski, VT, we are reminded how critical general revenue-sharing is to local communities as a whole. Decisions about allocation of revenue-sharing funds occur at local town meetings, participants in these meetings have previously identified home delivered meals, senior transportation, legal and ombudsman services as priority services for revenue sharing funding. The towns within this area most often do not have paid police or fire departments, these are provided through volunteers, therefore, the revenue-sharing funds are used for only the most critical services for the community such as roads, schools, fire trucks, senior services. We feel with the elimination or reduction of revenue-sharing funds, these very small communities will be force to make difficult decisions between very basic services, and also between the young, and the old and between people and roads.

In my department, the New York City Department for Aging does not directly receive any GRS funds for its operations or administration. Very recently the city has published a report on "The Effects of the President's Proposed 1987 Budget on New York City." That report indicates that if New York City loses its $270 million which it currently receives in general revenue-sharing funds, there will necessarily and obviously need to be a reordering of city priorities. All programs will be affected, including services for the elderly. As a result of the anticipated general revenue sharing and other Federal cuts, this year all city departments were asked early this calendar year to institute cost-saving reductions of 1, 2, 3 percent, and some more. For our own department of aging for fiscal year 1987, beginning this July, we are putting into effect as a result of that reduction a $435,000 cut. That is without Gramm-Rudman, that just relating to a general cut with the anticipated current cuts were made.

As a major designer of the aging network under the Older Americans Act, you, Mr. Chairman, and members of your committee are most aware that area agencies have a critical challenge to meet in coordinating community-based care systems in our communities. Since the inception of area agencies in 1973, we have taken very seriously our requirements to identify the local needs of the elderly, recognize the current services and care systems available, define the gaps in those service systems, and then have attempted to identify the resources to fill these gaps.

As you are also quite aware, the resources to fill those gaps have become more and more sparse over time. Although the aging population continues to grow more quickly than any other segment of our population, and is placing more demands on the service systems in place, the funds to address these increasing demands on those systems are decreasing rather than increasing.

But it must be pointed out that it is not revenue sharing alone which is causing a burden on area agencies and local communities in attempting to adequately serve the needy elderly. Our department for the aging, the Area Agency on Aging for the city of New York, suffered in addition to the cuts I mentioned before, a $2.2 million loss as a result of the 1986 Gramm-Rudman cuts in the Older American Act, USDA commodity foods and programs. Also, many of the human services block grants managed by area agencies in all parts of the country were also cut. It is this accumulation and the piling up of losses which causes such a great dilemma when attempting to meet ever-increasing demands.

It should also be noted moreover, that Medicare policies have become more restrictive regarding home health care benefits which have left area agencies on aging and the State and local governments with the burden to identify new resources for needed post-hospital care not covered currently under Medicare. Therefore, the DRG's, Diagnostic Related Group Program, are putting a burden on our home care services, needed that those home care services are, in such a way that we have to address the acute-care discharge patients with decreasing community care dollars. Area Agency on Aging have reported in a national study conducted by the University of Texas Health Science Center, major increases in demands for case management, in-home skilled nursing care, chore services, and home delivered meals, after DRG's went into effect in their communities. This has forced us, without additional funds to address these needs into a very difficult position of shifting Older American Act funds to these in-home services. Areas agencies have had to take funds away from other community services vital to the elderly in the community, such as senior centers, health screening, and wellness programs, and cultural enrichment programs, in order to meet these needs.

Area agencies on aging, I must say, have taken seriously the need to conserve limited Federal funds. We have already taken the obvious steps to stretch our resources. Agencies have targeted their services, utilized volunteers and continue to use their energies and resources in creative ways. It also tries to implement support groups to expand the use of family and other care givers. We are now operating with minimal sources compared to demand, and are running out of ideas to expand our services to meet these ever-increasing demands. At the point of obvious exhaustion of resources, the area agency often does go—in response to your queries—to the local governments, and to State governments within their areas to describe these shifts and losses and obviously to seek financial support from these governments. Sometimes it is there; sometimes it is not there, most cases the answer is no.

We cannot look, however, at general revenue sharing alone as deep and as important as those cuts are to be. It is one funding source among many that has created the "whole" community-based

care system. If one piece is removed from the whole, its removal will be detrimental to every other part of the system. Elimination or even reductions of general revenue sharing will only compound the negative impact of some of the very troublesome trends: The rapidly increasing size of the frail older population; the lack of concern about the major burden these shifts will make on our Federal, State, and local governments. Instead of talking about reductions in services we should be planning for responsible ways to supply even more needed services to this ever-growing, frail, needy population.

I trust and hope that we will not have to let reductions in revenue sharing continue to erode a very limited support system for needy older persons. For if we cannot adequately care for older persons who have gone ahead of us, what kind of message are we sending to those who are coming up into this generation.

Thank you very much.

Mr. BIAGGI. Commissioner Ahrens.

STATEMENT OF ROBERT J. AHRENS

Mr. AHRENS. Thank you, Mr. Chairman. I think what I would like to say first is amen to what Commissioner Sainer said.

I am here today as the Commissioner on Aging for the city of Chicago, to speak for elderly and disabled in my city. And also for the Steering Committee of City Officials on Aging, for the U.S. Conference of Mayors, who are attempting to represent the Nation's urban elderly.

The city of Chicago is going to lose $67 million in GRS funds if this program ends in 1987. The effect on programs for older persons can only be described as severe. As we apply these funds now in Chicago, and I am speaking really just in human services direction, my department would lose about one-third of its municipal funding; our health department would lose one-third; the department of human services would lose one-third; our consumer services department would lose almost 38 percent; and the city chief connection to the daily problems of all its people; its office of information almost 36 percent of its city funding.

Now it is a rhetorical question of course, but do we want to cut back 39,000 home delivered meals to frail elderly; do we want to end the employment of 17 staff members who provide essential in-home services to the elderly and disabled; eliminate a 50–50 shared-cost bus program for groups and clubs of 20,000 senior citizens; cut back on the hours of regional multipurpose centers; close health centers, perhaps as many as seven; and eliminate 55,000 patient visits by elderly; reduce the efforts on youth gang crime, when the elderly are often the victims; cut back on emergency shelter and food; close community service centers; decrease staff who monitor fraudulent and deceptive business practices; and cut back on refuse collection? Of course, the answer is no.

But these are some of the prospects facing our urban elderly in Chicago. We have to ask how it can be said that there is no constituency for general revenue-sharing funds? Have we done such a poor job—I guess that is another rhetorical question, the answer has to be yes—in translating these funds into the cop on the beat, a

home delivered meal, a trip for medical purposes or an operating senior centers?

The cuts, when they come, will endanger even more than the programs I have cited. Every city will have to reallocate all of the revenues it receives in order to provide essential services. To keep the cop on the beat, the senior services unit of the police department may have to be cut; and so it goes.

We have asked some hundreds of leaders of Chicago's senior citizen groups and clubs in a citywide caucus we held with them at McCormick Place on May 9, more than 700 of these clubs and groups, how they would cut the programs and services we are already mandated to pull back. Nearly one-half of these leaders refused, absolutely refused, to cut any services at all, and most of those who propose cuts did so under protest and made such suggestions as can you get Congressmen to cut their junkets, or maybe they should fire some of their top executives. I would like to enter into the record, an article from the Chicago Tribune, Sunday, May 18, which discussed the effect of Federal budget cuts in the townships of Cook County outside of Chicago. According to the paper, "The likely loss of Federal revenue sharing money on October 1 will result in a drastic change in the services available to many suburban residents."

The article goes on in detail. For the county of Palos, 50 percent of its budget is made up of general revenue-sharing funds, it is medical clinics, its transportations services, youth counseling and recreation programs and much of its programs for senior citizens.

Apparently the urban elderly of the cities and suburbs are going to suffer this together. And it is the poorest of these areas who have the least resources to draw upon to replenish lost revenue sharing funds.

Now through our steering committee at the Conference of Mayors, we devised a survey and got it out to some 50 cities in the country, the returns were still coming as I left Chicago, so this is all pooled together, but we realize that we will give the complete report to the committee. But let me just give you some of the things that we gleened from this on our way here to Washington.

Alexandria, VA, reduction in services for all departments and offices. Albuquerque, NM, 2 percent of the office of senior affairs budget; Baton Rouge, LA, curtail the services of registered nurses serving from 850 to 1,000 elderly in clinic settings, and centers that provide respite care to medically needy patients; Boulder, CO, reduction in services for all departments and offices; Cambridge, MA, 26 percent of the budget on the council on aging made up from GRS; Colorado Springs, $129,000 GRS's, 2 percent of their office's budget, funds four full-time staff, and three part-time, provides transportation services to the elderly; the El Paso County, Pike's Peak Area Council of Government, receives almost $3 million in GRS, they provide meals, outreach, transportation, health services, home health, mental health, it says it is going to cut this when expansion is needed; Detroit, the cut will be across the board in all departments; Hyland Park, IL, will lose an art instruction for its senior citizen classes; Houston, TX, less resources, reduction of services for all departments.

Iowa City, they will lose something like $394,000 of GRS, moneys from that are contracted to elderly service agencies, that will go, their help to the United Way, that will probably go; Jacksonville, FL, will have cut general revenue services for postal alert, I am sure that is a reassurance program in the community, they use most of the GRS to support medical program for the indigent, that will go; Kansas City, MO, their support of the Silver Haired City Council ends; Lexington, MA, 50 percent of the budget of the Lexington senior center goes, another close to $8,000 that funds Hospice for adult day care, that goes; Lincoln, NE, you have heard from; Louisville, KY, less resources across the board; Memphis, TN, less resources across the board.

Mr. BIAGGI. Why don't we have that whole list submitted for the record.

Mr. AHRENS. It is a sad story on this quick review, and it is not going to improve much I think when we are able get in a full analysis. So some of us have been at work in this field for a long time.

We are celebrating our 30th anniversary of programs in Chicago. The late Mayor Daley set up the first commission on senior citizens, and I am privileged to have been connected with that operation over its long period of years, to come back at the request of Mayor Washington. I did not serve in last administration.

The mayor appreciates the opportunity for this hearing. He himself, will be on the road tomorrow, starting in Rockford, IL, and going around the State to talk to civic leaders and municipalities to rally support for general revenue sharing.

So whatever we can do, and through our steering committee, we are ready to do.

[The supplemental material submitted by Mr. Ahrens follows:]

May 21, 1986 PRELIMINARY REPORT

SURVEY

for the

U.S. Conference of Mayors

Steering Committee

of

City Officials on Aging

REVENUE SHARING AND THE ELDERLY: THE IMPACT OF ITS ENDING

NOTE

This quick review of responses to a survey of cities has been prepared for a hearing on May 21, 1986 of the Subcommittee on Human Services of the U.S. House Select Committee on Aging, on the subject "Revenue Sharing and the Elderly."

The survey was undertaken on May 7 in behalf of the Steering Committee of City Officials on Aging of the U.S. Conference of Mayors. This review reflects responses received prior to the Congressional hearing of May 21st.

We should note that programs adversely affected by a proposed end to revenue sharing have, in the main, already suffered a 4.3% cut under the Gramm-Rudman-Hollings Act, effective March, 1986.

Where it is noted that services have been reduced for all city departments and offices, this will include city programs on aging. Where there is additional specific information on the nature of these cuts relating to the elderly, it is cited.

Robert J. Ahrens

- Commissioner on Aging and Disability, Chicago
- Member, Steering Committee of City Officials on Aging, U.S. Conference of Mayors

SURVEY RESPONSES

1. Alexandria, VA. (Office on Aging)

   Reduced services for all City departments and offices.

2. Albuquerque, N.M. (Office of Senior Affairs)

   Cuts 2% directly from the Office of Senior Affairs. Affects funding for legal, information & referral, Foster Grandparent, transportation, residential repair, outreach, health support, volunteer and day care services. Fire and Police departments will have priority on remaining city and county funds.

3. Baton Rouge, LA. (Baton Rouge Council on Aging)

   Curtails service of registered nurses serving 800 to 1,000 elderly at clinics, respite care related to medically needy patients and administrative support for all services.

4. Boulder, CO. (Office of Senior Services)

   Reduced services for all city departments and offices.

5. Cambridge, MA. (Council on Aging)

   Cuts 26% from the Council's budget.

6. Chicago, IL. (Department on Aging and Disability)

   Reduced services for all city departments and offices. Cuts city funded portion of department's budget by 30.9%, ending 39,000 home delivered meals, a shared-cost (50/50) bus program serving more than 20,000 elderly and disabled through their groups and clubs, ends 500 educational & recreational trips, and cuts 17 staff persons essential to delivery of in-home services. Cuts to other departments mean 55,000 fewer patient visits by the elderly to health centers (seven may be closed), reduced emergency food and shelter, closing of two community service centers.

7. Colorado Springs, CO. (Parks & Recreation Department)

   Cuts 2% of the budget that provides operating and capital purchases. Cuts 4 full-time and 3 part-time staff. Reduces transportation for the elderly.

8. Detroit, MI. (Senior Citizens Department)

   Reduced services for all city departments and offices.

9. Highland Park, IL (Department of Senior Services)

   Loss of an art instructor for weekly senior citizen classes.

10. Houston & Harris County, TX (Area Agency on Aging)

    Reduced services for all city departments and offices.

11. Iowa City, IA (Senior Center)

Reduced services for all city departments and offices. Cut of $27,836 directly to elderly service agencies. United Way will have to seek other funding or reduce services.

12. Jacksonville, FL (Senior Center)

Reduced services for all city departments and offices. Area Agency on Aging cut $30,000 for Postal Alert program. Reduced funds for matching grants. Medical program for indigent persons threatened.

13. Kansas City, MO. (Office on Aging)

Ends funding for the Office on Aging which will go out of business, and $4,000 for staff support of the Silver Haired City Council.

14. Lexington, MA. (Senior Center)

Cuts part of the general operations budget and 50% of the Center budget for staff. Cuts support of a Hospice Adult Day Health Program.

15. Lincoln, NE (Area Agency on Aging)

Cuts 45.5% of total budget and 28 staff members. Cuts in-home, legal, day care, craft shop services, both congregate & home delivered meals, senior center operations and help for the RSVP (Retired Senior Volunteer Program). Cuts support for public health nurses and parks & recreation programs.

16. Louisville, KY. (Human Needs Office)

Reduced services by all city departments and offices.

17. Memphis, TN. (Office of the Mayor)

Reduced services by all city departments and offices.

18. Miami, FL. (Dade County Elderly Services Division)

Cuts $5.9 million funding for medical services and nursing homes (47% targeted to the elderly) and $4.7 million for social services (79% targeted to the elderly). Cuts 38% of division's budget and reduces social services, home health, mental health, nursing home, day care, homemaker and transportation services, meals and senior center operations. Cuts back on contracted services for medical assistance, counseling, information & referral and general community services. Other federal funding reductions cut 311 nursing home beds, 660 home health clients, and services to 10,000 frail elderly.

19. Minneapolis, MN. (Senior Service Ombudsman)

Reduced services by all city departments and offices.

20. New York, N.Y. (Department on Aging)

Reduced services by all city departments and offices.

21. Norfolk, VA. (Human Services Office)

Loss of $8.1 million to provide medical care to the indigent and $35,000 for hospital equipment.

22. Northampton, MA. (Senior Services)

Reduced services by all city departments and offices.

23. Rockville, MD. (Senior Services)

Reduced services by all city departments and offices.

24. San Francisco, CA. (Commission on Aging)

Reduced services by all city departments and offices. Cuts 17 staff members from Commission. Endangers escort and outreach services and paratransit programs for the elderly and disabled.

25. San Jose, CA. (Office on Aging)

Reduced services by all city departments and offices.

26. Seattle - King County (Division on Aging)

Reduced services by all city departments and offices. Cuts $1.1 million from emergency food and shelter programs, in which 40% of the clients for food and 28% of the clients for shelter were elderly.

27. Skokie, IL. (Office of Human Services)

Cuts 44% of the Office's budget, 3 staff members, social work and transportation services and home delivered meals. Reduces screening and treatment of elderly by Health Department and special senior assistance programs of the Fire & Police Departments.

28. Stanford, CT. (Commission on Aging)

Reduced services by all city departments and offices. City support of Commission budget (40%) is threatened.

29. St. Petersburg, FL. (Office on Aging)

Reduced services by all city departments and offices. Ends $225,000 contracted out for social services. Loss of matching funds for grants and some congregate meals.

Tribune photo by Carl Hugoson

With mother, Marge, and brother, Peter, looking on, Elizabeth Gertos, 5, is examined by Dr. Pat Garramone at the Worth Township health clinic. Town officials concede that loss of revenue sharing funds would force them to close the facility.

Townships fret as U.S. picks up budget ax

By Patrick Reardon

The knitting class for senior citizens that meets every Thursday morning at the Worth Township Hall means more to Grace Char than just knit-one-purl-two.

"It's good friends," she says as she works on a sweater for her granddaughter, and around the table her friends agree. "We like each other. It's family."

Down the corridor at the township health clinic, 11-year-old Danny Hulls is waiting to get a school physical.

"I've brought him here for all of his school physicals," says Danny's mother, Frankye. "For one thing, it's free. And you don't have to wait forever for an appointment."

Compared to major governmental functions like regulating the money supply and providing the national defense, Grace Char's knitting class and Danny Hulls' free physical are small services—a few hours of conversation for Char and a savings of $50 or so for Danny's mother.

Yet by providing such small services for more than a decade, Chicago's suburban townships have evolved from an archaic and nearly moribund form of local government into a surprisingly vibrant source of social programs—in fact, the main funding source of social programs in the suburbs.

That role is in danger this year as townships face the likely loss of federal revenue sharing money on Oct. 1—a loss that will result in a drastic change in the services available to many suburban residents.

Long threatened by successive administrations, revenue sharing has been saved from extinction more times than Indiana Jones. But in a year in which Congress is wrestling with the massive federal deficit, the outlook for the program appears bleak.

The Senate has voted $1.8 billion for revenue sharing for next year, half of this year's amount, but only if Congress votes to reauthorize the program and only if the Senate Finance Committee can find money to fund it, says Babette Penton, executive director of the National Coalition to Save General Revenue Sharing.

In the House, the Budget Committee has recommended $4.6 billion for a full year's funding of revenue sharing, but with similar contingency provisions, she says.

"Compared to two or three

Continued on page 4

Townships

Continued from page 1

months ago, we're doing very well," Penton says. "Two or three months ago, it was dead, and everyone said it was dead." Yet, she acknowledges that the battle "is uphill."

In 1973, revenue sharing re-invigorated townships by providing the no-strings-attached money to fund the small social services that other local governments weren't offering.

And it has been the $11 million in revenue sharing that townships in suburban Cook, Du Page and Lake Counties have received annually that has kept those programs going.

Without revenue sharing, some of those services will disappear. Some will be reduced, made available less often or for fewer people. And some will be saved, but only through tax increases or the establishment of new fees.

In Waukegan Township in Lake County, for example, all social-service programs will be eliminated if revenue sharing dies, says Supervisor Milton Staben.

"We could increase our tax rate, but I don't think that would be our function," he says. "We're using this money for social programs. If we don't have it, we cut those programs."

But most other township officials disagree. They are vowing to remain in the social-service business—to continue, as much as possible, to fund meals-on-wheels programs and day-care centers, provide blood pressure screening and eyesight testing and host medical clinics and knitting classes.

The traditional township services of highway maintenance and general assistance have separate tax levies and aren't threatened by the loss of revenue sharing.

As the increasingly hard-fought township elections of recent years have indicated, there are thousands of good political reasons why township officials want to stay in the social-service business: the voters.

By providing social services, even small ones, to a wide array of people, township officials have developed a strong constituency. In addition, such services require workers, and that means jobs. And that means patronage to be handed out.

The $7.5 million that the suburban townships in Cook County received in revenue sharing in the 1985 fiscal year may not seem like much when compared to the $67.2 million that the City of Chicago got that year. However, the city's revenue sharing funds made up only about 5 percent of its budget while revenue sharing represented about 25 percent of the general budgets for the townships.

In some cases, the percentage is much higher, such as in southwest suburban Palos Township, where the $170,000 in revenue sharing is just over 50 percent of the general budget.

Herbert Schumann, the township supervisor, says, "We'll have to cut down on our health services, mainly in medicines. We'll have to cut down on our podiatrist. We'll try to keep the senior programs going."

Schumann is planning to cut spending by about $80,000 and increase taxes about the same amount. For an average home, the tax increase would translate to an extra $6 a year, he says.

Taxes already have gone up in northwest suburban Palatine Township, where the levy of $500,000 was increased by $250,000, a change that taxpayers will see reflected on their property tax bills in August.

Supervisor Richard Bayer says township officials are looking forward to the expected elimination of revenue sharing. "We're in favor of it," he says. "Our feeling is you can't have revenue to share when you have a deficit. It's that simple."

Most of his brethren, however, don't share that philosophy or feel so comfortable at the thought of raising taxes, even by a few dollars.

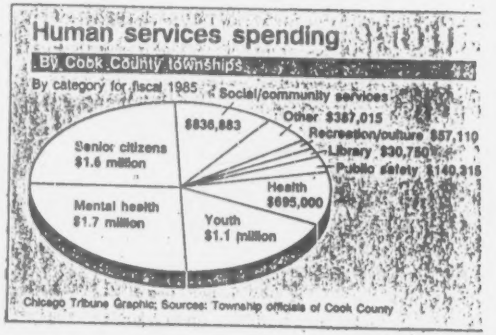
North suburban Maine Township could make up the loss of its $400,000 in revenue sharing by raising tax bills by just $5, but Supervisor Paul Halverson concedes such talk is "a political hot potato."

"We're right there in the neighborhood where our neighbors can reach us," he notes. "It's not something that you can bury in another fund. It's very visible. That's good for accountability, but. . . ."

In south suburban Bloom Township, Supervisor Robert Grossi expects to be able to retain most of the township's in-house programs but none of its gifts to local social-service agencies.

"It'll be a rob-Peter-to-pay-Paul situation," he says.

Richard Martino, the supervisor in nearby Calumet Township, says, "We're looking at cutting quality services, cutting employees, asking our seniors to contribute more to the senior center."



In fact, four township employees were laid off in February, Martino says.

To offset the loss of revenue sharing, he is looking into the possibility of having the township seniors run a bingo game to raise money.

Many township officials in affluent Du Page County have made cuts and tax increases to replace revenue sharing.

In York Township, for example, fees for township dial-a-ride services have been increased, and in November voters in the unincorporated portion of the township will be asked if they want to increase their taxes to pay for an off-duty sheriff's deputy to patrol their area, a cost that, until now, revenue sharing has paid.

"We're leaner, definitely leaner," says Supervisor John O'Brien. "We're trying to be more efficient If you haven't got money, you can't spend money."

The outlook is grim in south west suburban Worth Township where Supervisor Joseph McCarthy says the loss of revenue sharing would force elimination o the township's medical clinic, it transportation service, its youth counseling and recreation programs and much of its program for senior citizens.

That would mean the end of free physicals for Danny Hults and the likely end of knitting class for Grace Char.

McCarthy says a tax increase of about $3 or $4 a year for the average home might offset the funding loss, but his township board won't impose such an increase on its own.

"The people of the township," he says, "will have to decide if they want to pay that for township services."

Mr. BIAGGI. We thank you both for your statements.

Both Ms. Snowe and I are required to go the floor and vote, and rather than hold you up for that period, I am going to turn the meeting over to my administrator of the committee, for any questions, Mr. Robert Blancato. This will avoid any delay in your departures.

Thank you both.

Mr. BLANCATO. I will be doing this together with the minority staff director, Barbara Kaplan, who is to my left here.

Janet, I think we will start with you.

A question that we have here is which of the services directly or indirectly provided with assistance from revenue sharing would be most impacted if the program were curtailed, now recognizing that there isn't direct money, but there are indirect relationships between the city and revenue sharing, in your programs? Which do you feel would be the most impacted if the program were eliminated?

Ms. SAINER. I think probably the home care, which is obviously the most needed, partly because of what was indicated before. A lot of home care and transportation would be the two, at least from my observation, that would be most severely affected by these cuts. I think senior centers, because of their visibility, because it is easy to walk in and see what is th re, and its impact, may in some way be held together. I know that in my city the mayor has attempted over the years to insure that the centers remain in place. I think the concern though, about home care, both its rising costs, growing need, and the fact that it isn't as visible, when you go from one home to another, to see to and observe and know its impact.

Yet here we are in New York City, in the decade from 1970 to 1980, the growth, even though the older population will remain basically the same, the growth in the over-75 age group was 17 percent; the growth in the over-85 population was 38 percent; and in the past 5 years over 32 percent additional increase in the over 85.

So we are facing problems with that group, which somehow we are not going be able to meet even if there weren't revenue sharing cuts. And with revenue sharing cuts, there is no question that even this $435,000 in New York City, without revenue sharing cuts that we had to take, aside from Gramm-Rudman, is going to be addressed in the area of home care.

Mr. BLANCATO. Bob, would you address that same question?

Mr. AHRENS. We would have to wipe out a city program of home delivered meals. That is kind of tragic because this administration, after wiping out a deficit it inherited, had finally begun in this year's budget to fund services as well as staff for the elderly and the disabled; that would go. And we would be losing if we close the health centers, more than 50, I think, we originally figured something 62,000 patient visits by older people. If we would have 10,000 visits left, I would be surprised.

Mr. BLANCATO. Dr. Kaplan.

Dr. KAPLAN. Thank you.

I just wanted to say what outstanding testimony both you and the previous panel gave; it has been very informative.

There has been some discussion about reorienting revenue sharing in a couple of ways, and I would just like to get your opinion

about these ideas. One has been a discussion of targeting general revenue sharing to those most in need, and it is not clear in my mind how you define who is most in need. But I would be interested in learning from you what you think about that idea.

The other part that I heard discussion about has been to change the status of general revenue sharing, from that of an entitlement program, to a program that has to go through the regular appropriations process. I would like to hear what you have to say about that, if that proposal were ever to come before the Congress.

Ms. SAINER. Well, I can comment on the targeting of those most in need. Unfortunately, those who are the poorest are the neediest, and therefore are involved in the entitlement programs in the country to address some of the needs, not all of them. I think the group that is suffering most is getting the least.

In our city there are approximately 3 million older people, over 60. Eighteen percent are Medicaid eligible or below, say, a $5,000 income level. But in addition, 52 percent are in a group between $5,000 and $10,000 in income. Almost close to 30 percent of our people in New York City have incomes below $10,000.

We are talking home care and an increase—where those people live, we are talking about a group of chronic disabilities and their needs—so that when we are talking about kind of needs, there is no question that we should be serving the most needy. But I think we tend to forget those who have an income slightly above, who are trying to make do, who do not want to be on welfare, who do not want to receive Government largess, and yet who will need some of this.

Ms. KAPLAN. Would it be very difficult for you to do that targeting, since the recommendation that I have read talks about targeting needs based on statewide criteria? It looks at things like income and employment. This seems to me would be very difficult to filter down to the local level, since you would be using statewide figures.

Ms. SAINER. Yes, I think one of the unusually unique aspects of the Older Americans Act, and this is an indepth benefits question of the Older Americans Act, it is very unique legislation, is that it is overtly targeted, we are to target our resources, and do, to the socially and economically needy. Yet there isn't a means test attached to utilizing those services. I would hate to see one. I am talking personally on this, from where I sit in the city, I would hate to see that kind an approach disappear.

I think the question of being able to limit the participant contributions and possibly some fees for service, if one does it on the basis of a means test, which already makes an older person declare "I am poor" to the public, to their peers, and to their colleagues is something that I don't think we need do. Enough is lost in dignity and self respect as a result of some income losses, and other losses older people suffer, and to have that, too, I think would be most unfortunate.

Mr. AHRENS. I would like to associate myself with Janet's remarks. I think there is a targeting, there is a self-selection here. The people at home have needs, that is why they are home; they are frail.

They do have the opportunity to contribute, and even at what we call the Golden Diners Clubs, more than $1 million is budgeted each year by my department of contributions from the older people. I think by the time we set up a bureaucracy to administer some of these compliance operations and means tests, you would have spent the money on the wrong things rather than on the services that ought to get to the people.

Mr. BLANCATO. I suppose you detected an undercurrent in some of the observations made, at least by the chairman, relative to the seeming lack of ready data to link revenue-sharing funds to aging services.

When we as a subcommittee agreed to conduct this hearing we did so with great enthusiasm about the topic. We discovered as time went on that the ability to gather the kind of data that would make the unimpeachable case linkage was somewhat less forthcoming that we would have liked.

I would be curious in however you would want to address it to see what—assuming Mr. Lightfoot's observations—assuming the program is extended and reauthorized—what steps could be taken so that the process of gleaning out the data, and showing the relationship between revenue sharing and aging programs, would be facilitated?

Mr. AHRENS. I think we have to do what has apparently not been done. To build a constituency by spelling out more clearly what these fund serve. I don't think this has necessarily been done.

We will have to dig for the data, to go people handling the budget, and say—I know for my department, but I didn't know precisely for this, or the health department, or the department of human services. I know now. And what I know has not been communicated, at least not to the leaders of the elderly and disabled in Chicago. It is something, looking back, and being wiser now, we probably would have done a long time ago, begin to build that kind of constituency for it which is now, I think, rapidly arising.

Ms. SAINER. I really feel that with the help other national organizations—we need to do more with U.S. Conference of Mayors, and in some of the preliminary work that we have done just for preparing for these hearings, that it will be possible to collect more data. But also to show its relevance, I think, is absolutely needed.

I think seniors tend to take for granted what has been; so do we at times, especially when it has been built into a system. Revenue sharing has a very special kind of difficulty, if you will, because it is general revenue sharing. Also, older people have tended to look on Older American Act funds as their main base of social service supports.

There is no question that with the Gramm-Rudman cuts—and we have had to cut in the city, and the senior centers that they fund, the nutrition sites, and the home delivered meals programs, are literally cut and visibly cut, that you will hear from a large constituency. With general revenue sharing, some of them, as we heard today, are really directly affecting the elderly because they have been hard dollars given to elderly programs. But in the other communities it is the broader services that general revenue sharing has addressed, and now the question is how that is going to impact, and the priorities have to be changed.

So I think we have an educational job and an advocacy job, and interpretation job to be done. But I do think more data could be collected, Bob, if we had a little more time, with the help of the national organizations.

Mr. AHRENS. I was going note that when we made it clear in Chicago a year ago that all of our programs in my department for younger disabled were funded by community development funds, you had a constituency on behalf of community development. This is what we need to do on revenue sharing.

Ms. SAINER. I don't think we need to do it with community development funds; we need some major cuts in it. We have to do it with CD funds. We have to look at other parts, we talked about community foods, and employment, we have programs that are going to be facing employment cuts. We are faced with a 25-percent cut, with the 3-percent set-aside program. These are things that are just hitting us, and they have not been interpreted outside. I think that when these begin to hit in many areas, you will begin to hear from a constituency that is very concerned.

Mr. BLANCATO. I think on behalf of the members on both sides, I think it is fair to say that there has been tremendous movement on a budget resolution in both the House and the Senate in recent weeks. If progress continues then you not have the second round of Gramm-Rudman cuts to contend with, would be obviously, catastrophic, certainly on everyone.

The subcommittee thanks the Conference of Mayors, NACO, National Association Area Agencies on Aging, and, of course, the Warren County Board of Supervisors, your testimony. We stuck our neck out a little bit in some respect with this hearing, but I don't feel that it has been chopped off yet. I think it is still out there.

But I think that we have established an important record that we would like to continue, and we hope that we may flush out some more data that will make a better case so that reauthorization process can be accelerated.

I also think it is fairly safe to say that a number of you that are here today we will see very often in the coming months as we begin our process of examining the reauthorization, which is on the Older Americans Act.

On behalf of the chairman, the minority members, and other members, we thank you for coming.

The hearing is adjourned.

[Whereupon, at 4:25 p.m., the hearing adjourned.]

APPENDIX

City of Melbourne
(305) 727-2900
900 East Strawbridge Avenue
Melbourne, Florida
32901

May 19, 1986

1986

Hon. Mario Biaggi
United States Representative
House Select Committee on Aging
Washington, D.C. 20505

Dear Representative Biaggi:

It is my understanding that your Subcommittee on Human Services will initiate hearings soon on the impact of General Revenue Sharing funding reductions on the elderly. This is of interest to us, because the loss of Federal Revenue Sharing funding will have a significant impact on the City's ability to provide services to the elderly.

Melbourne is a City of approximately 53,000 persons located on the east coast of Florida. Like most Florida communities, we have experienced a large influx of retired persons. Many of these have come with inadequate financial resources, or have sustained illnesses, or other unexpected family problems which depleted their financial resources. These people look to local government for assistance.

The City has responded to this need by establishing a Human Services Department. Approximately 20% of our General Revenue Sharing funds have been used to finance the cost of the department. Among the services provided by our Human Services Staff are information and referral assistance for emergency and social service programs, counseling, and housing and employment assistance. Our Staff also distributes surplus Federal food commodities to over 1500 families a month. More than 60% of the families receiving this service are elderly persons.

It will be extremely difficult, if not impossible, to continue our Human Services Department programs if the General Revenue Sharing program is discontinued. You obviously cannot use service fees to replace this funding, and State Law greatly restricts our ability to increase property taxes to provide replacement revenues.

I hope your Subcommittee can be successful in encouraging the Congress to continue the General Revenue Sharing Program.

Sincerely,

Samuel H. Halter
City Manager

SHH:ay
cc: Hon. Bill Nelson, U.S. Representative

P.O. BOX 1474 • 125 N.W. 5TH • OKLAHOMA CITY, OK 73101
(405) 236-2426

AREAWIDE AGING AGENCY

May 21, 1986

The Honorable Mario Biaggi
House Select Committee on Aging
U.S. House of Representatives
Washington, D.C. 20505

Dear Congressman Biaggi:

This letter indicates the concern of our Area Agency on Aging in regard to the possible loss of Revenue Sharing funds.

As you know, many cities and counties have used Revenue Sharing funds to assist aging programs. In Oklahoma City, County Revenue Sharing funds are used to help fund fifteen mini-buses, which provide transportation for thousands of older people. Additionally, Revenue Sharing funds have also been used to open needed nutrition sites for the elderly, and to keep a geriatric day care center in business.

Please register our concern, and our hope, that Revenue Sharing funds will continue to come to cities and counties to aid in providing many needed services to the elderly.

Sincerely,

Charlotte Heard, ACSW
Executive Director

CH:tr

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AN EQUAL OPPORTUNITY EMPLOYER

Office of the Mayor

City of Madison

F. Joseph Sensenbrenner, Jr., Mayor

May 27, 1986

The Honorable Mario Biaggi
House Select Committee on Aging
United States House of Representatives
Washington, D.C. 20505

Dear Representative Biaggi:

We are deeply concerned over proposed reductions in General Revenue Sharing which would prohibit the expansion of necessary services to meet the needs of the frail and elderly in our community.

The rapid escalation in the older adult population, especially persons 85 and older, coupled with the often devastating impact of early hospital releases under current DRG regulations, have created a dramatic increase in the demand for supportive home services. As a result, the growth in waiting lists for Home Care Services is cause for some alarm.

We sincerely believe that the termination of General Revenue Sharing would have disasterous effects on the welfare of Madison's frail elderly.

Very truly yours,

Mary Lea Kempka

Mary Lea Kempka
Senior Services Coordinator

MLK:235-I

cc: Representative Robert W. Kastenmeier

City-County Building
210 Monona Avenue
Madison, Wisconsin 53710
608 266 4611

STATEMENT OF THE

NATIONAL RECREATION AND PARK ASSOCIATION

BEFORE THE

SELECT COMMITTEE ON AGING

FOR THE

SUBCOMMITTEE ON HUMAN SERVICES

U.S. HOUSE OF REPRESENTATIVES

ON

THE IMPACT OF GENERAL REVENUE SHARING FUNDING REDUCTIONS ON THE ELDERLY

MAY 21, 1986

Prepared by NRPA Governmental Affairs Division

The National Recreation and Park Association extends its appreciation to the Human Services Subcommittee Chairman Mario Biaggi for the opportunity to submit the Association's views on the impact of General Revenue Sharing funding reductions on the elderly.

The National Recreation and Park Association is a national, non-profit organization engaged in a wide range of research, education, policy and program initiatives in the area of parks and recreation. We have a membership of over 18,000 individuals, organizations and agencies performing an array of civic, professional and technical functions to meet diverse recreation demands. For the most part, our members are associated with public recreation and park systems. We have an affiliate organization in each state and the District of Columbia.

The existence of General Revenue Sharing has allowed for the maintenance and expansion of recreational opportunities for senior citizens. Though no figures can be obtained as to the exact dollar amount being spent on seniors now that the emphasis is on community integration, that is, recreation participation with other age groups in the community, information is available to see just how extensive seniors' involvement in recreation is.

General Revenue Sharing has provided an average of 5.6% towards local communities' parks and recreation budgets, according to a recent University of Georgia study. The real work done by GRS for recreation has been in the form of supplementing funding for essential services, such as police and fire protection. Removing some of the financial burden for essential services has allowed a greater amount of local funds to be used for parks and recreation. Local park and recreation funds would be among the first raided if communities lost their GRS funds and had to finance all their essential services.

These changes would impact negatively on senior citizens' recreation opportunities by reducing the number and scope available to them. Seniors make up a large part of those served by recreation programs. In an average local recreation department, 1,775 senior citizens are involved in programs increasing fitness and community involvement. And with the proportion of those 65+ increasing, programs involving seniors with the community most probably will grow in demand and importance.

COUNTIES OF:
ADAMS
BROWN
CALHOUN
HANCOCK
PIKE
SCHUYLER

West Central Illinois Area Agency on Aging

1125 HAMPSHIRE ST. P.O. BOX 428 QUINCY, ILLINOIS 62306-0428
PHONE: 217-223-7904

May 19, 1986

The Honorable Mario Biaggi
House Select Committee on Aging
United States House of Representatives
Washington, D.C. 20505

Dear Mr. Biaggi:

I am writing in response to your letter of May 8, 1986 regarding effects of the loss of General Revenue Sharing on senior programs. The West Central Illinois Area Agency on Aging administers senior programs in the rural west central Illinois counties of Adams, Brown, Calhoun, Hancock, Pike and Schuyler.

Our area's most difficult task of replacing these funds is with our senior centers. Twelve of the thirteen senior centers in west central Illinois rely on revenue sharing monies for operational costs. The total budget of the twelve centers is $116,500.00. Forty-six percent of this budget is derived from revenue sharing dollars from counties, cities and townships. The centers currently do fundraising to assist with operational costs, however, additional assistance is needed. Operational costs in our area are heat, lights and air conditioning. The centers do not have personnel costs as all staff are volunteers.

Title III of the Older Americans Act does not allow the Area Agency to fund senior centers for their operational costs. It allows funding for personnel, but no related expenses such as rent, supplies or utilities.

These centers are community focal points. Many services are available from the centers, some funded through Title III, some from other sources. Some of the services at centers are: Transportation, Information & Referral, Congregate and Home Delivered Meals, Health Screening, Education and Recreation. If the centers cannot keep their doors open because of the loss of funds, not only will the seniors lose the centers but also the array of other services currently available.

Other programs in our area, including the Retired Senior Volunteer Programs, rely on some revenue sharing monies for their local match to receive federal grants. If their match reduces, so will the federal dollars. The loss of these monies will result in reductions of staff, reduced hours of service and reduction of clients served. One of the Retired Senior Volunteer Programs in our area has already eliminated use of their van due to funding losses.

The General Revenue Sharing reductions will have a great negative impact on senior programs in west central Illinois.

I hope this information will assist the House Select Committee on Aging during its hearings.

If you should need any additional information, please do not hesitate to contact us.

Sincerely,

Lynn Niewohner
Director

LN/sc

cc: Richard Durbin

Community Council of Kanawha Valley, Inc.

702½ Lee Street, P.O. Box 2711, Charleston, WV 25330 304-340-3515

INFORMATION & REFERRAL BUREAU
340-3517

ADULT SERVICES NETWORK
AREA AGENCY ON AGING
FAMILIES AND CHILDREN TOGETHER
304-340-3515

May 16, 1986

The Honorable Mario Biaggi
House Select Committee on Aging
United States House of Representatives
Washington, D.C. 20505

Dear Congressman Biaggi:

Thank you for including us in your solicitation of comments regarding the impact of reductions in revenue sharing. County commissions in our 4-county region have been very responsive to senior needs and have channeled coal severance tax revenue and revenue sharing money into those programs. They also fund other agencies which provide service to seniors.

The service which will be most drastically affected in the aging network will be transportation. Revenue sharing has been used toward purchase and maintenance of vehicles which transport seniors for meals, groceries, doctors appointments, etc. Approximately 3000 seniors have been provided with more than 50,000 trips within the first six months of this program year. These vans operate in primarily rural areas which have no public transportation system. Funds from other grants simply cannot absorb the loss of revenue sharing funds and although we are exploring possibilities within the private sector no alternatives have been forthcoming.

Revenue sharing has been used to match grants which provide homemaker and chore services to low-income seniors. Loss of this service would affect aproximately 100 indigent seniors. Revenue sharing has also been applied to the transporting of home delivered meals to the frail homebound elderly. Reductions in either of these services will most certainly mean earlier nursing home placements for some of our more frail population.

Those community service agencies such as health clinics which have been supported by revenue sharing funds provide home nursing services through a post hospital stabilization period. It is inevitable that such agencies will be forced to reduce or eliminate these services when funding is reduced.

In assessing the dollar value of community based services which are supported by revenue sharing dollars I urge you to weigh the cost of alternative services. The cost of nursing care provided through Medicaid funds will be vastly more expensive.

The service addressed here are services which promote independence, health, dignity and quality of life for people in our community who, to us, are very real people with very real needs. I would ask that you use your energy and influence to reverse the termination of revenue sharing. Revenue share dollars are my tax dollars being channeled back into my community and while I may not always agree with how funds are dispersed locally my voice is more easily heard here than in Washington.

Sincerely,

Karen Brady Rice

Karen Brady Rice
Service Coordinator
Region III Area Agency on Aging

KBR:mj

OFFICE ON AGING
OF THE COUNTY OF WARREN
WAYNE DUMONT, JR. ADMINISTRATION BUILDING
BELVIDERE, NEW JERSEY 07823

ANNE B. SCHNEIDER
EXECUTIVE DIRECTOR

TELEPHONE 201 - 475-8000
EXT. 581

May 13, 1986

The Honorable Mario Biaggi
House Select Committee on Aging
U.S. House of Representatives
Washington, D.C. 20505

Dear Mr. Biaggi:

I understand you will be holding a hearing on the Impact of General Revenue Sharing Funding Reductions on the Elderly.

In Warren County, New Jersey, the following 1986 General Revenue Sharing Appropriations have an impact on the elderly:

Mental Health	$ 71,135
Alcoholism Counseling	6,773
Hospice	3,500
Visiting Homemakers	29,000
Transportation	27,500
Domestic Abuse	18,667
Community Service Residence	8,865
Information & Referral	4,834
Legal Services	33,060
Total	203,334

You can see that curtailment of General Revenue Sharing Funds will have a very serious impact on services for the elderly in Warren County.

Sincerely,

Anne B. Schneider

Anne B. Schneider
Executive Director

ABS:eet

cc: Board of Chosen Freeholders

City of Pittsburgh

Pennsylvania

MAY 27 1986

Department of Parks and Recreation
400 City-County Building
Pittsburgh, PA. 15219

Louise R. Brown
Director

BUREAUS
Administration
Grounds and Buildings
Recreational Activities

May 19, 1986

The Honorable Mario Biaggi
House Select Committee on Aging
United States House of Representatives
Washington, D.C. 20505

Dear Congressman Biaggi:

I am responding to the request of Robert M. Buhai, Mayor of Highland Park, Chairman, Subcommittee on Aging, U.S. Conference of Mayors, to provide you with information on the cutbacks seniors in the City of Pittsburgh will face in the 1986/87 fiscal year. According to our Area Agency on Aging (Allegheny County) these actions are not the full picture and we should anticipate additional changes (?) October/ November of 1986. The cutbacks include:

- a loss of 26,000 meals
- a 10% loss of operational grant funds (this could result in the shutdown of two facilities).
- shifting of transportation dollars translating into drastic changes in service/limited in scope.
- This shift in transportation dollars will specifically mean the loss of four full-time vehicles and four part-time drivers and four subsidized part-time drivers (all senior employment priorities).

Citiparks is the major service provider of "Center Services" in Allegheny County related to Federally funded programs. The above information frames only this scope, it does not include the effect to the other 15 or so service providers in the area.

The Citiparks Senior Center Program is also funded with City revenue. Our Mayor has always tried to preserve the aging services provided by our program. The full effect of the shifting of City dollars is not yet known to our individual program other than a severe impact in 1987 budget/calendar year.

I hope that this is of some value to you (although limited in its scope). I would be glad to provide additional information to you at any time in the future.

Sincerely,

Michael A. Senko

Michael A. Senko, Program Director
Special Populations

yakima county/southeast washington
AREA AGENCY ON AGING
2009 South 64th Avenue Yakima, Washington 98903 (509) 575-4226

May 14, 1986

MAY 21

Honorable Mario Biaggi
House Select Committee on Aging
United States House of Representatives
Washington, D.C. 20505

Subject: General Revenue Sharing and Aging Programs

Honorable Mario Biaggi:

The Southeast Washington Area Agency on Aging covers eight rural counties in Washington State. The major contractors that provide services for us are senior centers.

These senior center generally are funded by cities and counties through "Revenue Sharing Funds". As revenue sharing dollars are reduced, the centers will be forced to shift administrative costs to our contracts for services. We anticipate these costs to have a tremendous impact on the following programs:

1) Nutrition Congregate and Home Delivered

2) Transportation

3) Information & Assistance/Case Management

4) Health Maintenance

We would like to support the maintaining of General Revenue Sharing Funds for cities and counties.

Sincerely,

Greg Heartburg, Director

GH:jm

cc: Robert M. Buhai
United States Conferences of Mayors
1620 Eye Street, Northwest
Washington, D.C. 20006

Charles Royer, Mayor
Mayor of Seattle

Tim Hill, County Executive
King County

Colleen S. Willoughby
Chairman of the Board
United Way of King County

Seattle-King County Division on Aging

May 16, 1986

The Honorable Mario Biaggi
House Select Committee on Aging
United States House of Representatives
Washington, D.C. 20505

Dear Representative Biaggi:

Enclosed is our response to the survey sent to us by the Commission on Affairs of the Elderly to assess the impact of the loss of General Revenue Sharing Funds. A letter addressed to Representative Edward R. Roybal, Chairman of the Select Committee on Aging is also enclosed addressing the impact other Federal Budget cuts will have in services to the elderly in the Seattle-King County area of Washington State.

I hope this information will be of help to you in determining how crucial it is for the cities as well as the elderlies to continue to receive General Revenue Sharing Funds.

Sincerely,

Denise A. Klein

Denise A. Klein
Director

DAK:fs:lp

Enclosures

CITY SURVEY QUESTIONS
CITY OFFICES ON AGING

Q1. How much money is currently allocated from General Revenue Sharing funds to your department?

The Seattle-King County Division on Aging (SKDOA) is sponsored by the City of Seattle, King County and United Way of King County and is a part of the City of Seattle's Department of Human Resources (DHR).

Although the SKDOA does not receive any General Revenue Sharing (GRS) funds to specifically provide services to the elderly, DHR does administer $1,138,305 in GRS funds. These funds are in turn allocated to subcontracting agencies for the provision of emergency food and shelter services.

Q2. What percent is this of your total budget?

Although GRS funds are not included in the Department's budget since subcontractors apply directly for Survival Services funds (i.e., Community Development Block Grant), if it were, it would represent 4.1% of the Department's total budget.

Q3. What services do these funds provide?

These funds provide emergency food programs (food banks and hot meals) and emergency shelter programs. These service areas contracted by the Department provided 254,977 food bank visits, 20,342 hot meals served and 73,109 bednights were provided by shelter facilities and voucher programs in 1985. The City also uses GRS funds for youth services including a special program for youth at risk through DHR.

Q4. How many staff persons who serve the elderly do these funds support?

The programs funded by GRS serve the elderly as part of the program's regular clientele. Funds are not earmarked specifically for the elderly.

Q5. How much money is currently allocated from General Revenue Sharing Funds for services to the elderly by other city departments?

The City of Seattle was allocated $10,826,000 in GRS funds for 1986. These funds are used to provide public safety (police and fire protection) and essential survival services (emergency food, shelter, primary health care and dental services). Funds are not earmarked for the elderly. However, the elderly 60 years of age and over comprised 21% of the City's population in 1980. In 1985, over 40% of the food bank participants and 28% of the emergency shelter participants were elderly and disabled.

CITY SURVEY QUESTIONS
Page Two

Q6. What services do these funds provide?

As stated above these funds provide: Public Safety - Police and Fire Protection; Survival Services - Emergency health care, dental services, food banks and shelter programs.

Q7. How much money is currently allocated from General Revenue Sharing Funds for programs not a part of city government?

$2,386,857 of GRS funds are used for survival services.

Q8. Survival services include emergency health care, dental services, food banks, hot meals, shelters and approximately $288,600 is used for a variety of services for at-risk youth.

Q9. If General Revenue Sharing ends, what will be the impact on your city's services for the elderly?

If GRS ends, the impact would be reduction in police and fire protection and a major loss in emergency food banks, shelters and dental and health care.

Q10. If General Revenue Sharing ends, what other funding sources can your city use to maintain services and staff for the elderly?

Even by raising taxes and cutting deeply into other City programs, the City could not hope to replace any significant portion of state or federal funding for Seattle-area human service agencies. Any commitments to replace lost funds will be on the basis of criteria established in the human services policies to be developed by the City later this year.

Q11. Excluding Gramm-Rudman cuts, what impact will reductions in other funding sources have on services for the elderly?

Any reduction of funds at the federal level will impact the state and local elderly programs. The State of Washington does not have a solid tax base; the City's hope of replacing significant cuts in funding is not promising. At each level, policies and priorities will be established which could have an adverse effect on elderly services. Even if funding is kept at current levels cuts in services are evident. Please read the attached letter sent to Representative Roybal in February, 1986, written by SKDOA staff person.

Attachment

Charles Royer, Mayor
City of Seattle

Randy Revelle, County Executive
King County

John D. Mangels
Chairman of the Board
United Way of King County

Seattle - King County Division on Aging

February 10, 1986

The Honorable Edward R. Roybal, Chairman
U.S. House of Representatives
Select Committee on Aging
Washington, D.C. 20515

Dear Representative Roybal:

Thank you for the opportunity to provide data on the potential service and people impact for Seattle and King County, Washington. Please share this information with your Committee colleagues and others in Congress. Ours represents only a small piece of the potential damage to the elderly in our country were the automatic reductions under the Gramm-Rudman Balanced Budget Amendment allowed to occur.

The Seattle-King County Division on Aging is the area agency on aging serving the urban/suburban/rural area of King County, Washington State. The age 60 and over population in the area totals 210,000 persons. Currently there are over 62,000 persons 75 years of age or older. By 1990 the older population is projected to grow to 223,108 and the old, old population to over 74,000. The age group most likely to require some or many of the long term care services funded by area agencies, those over 75, will increase in real numbers by **19.5%** in King County while the discretionary resources available to pay for those services will decline by **27%**.

The reduction of funding for necessary services relative to potential service demands may be illustrated by applying the amount of discretionary funds available to the number of persons 75+ in the population in 1986 versus 1990. In 1986 that amount would be $77.42 per person 75+. By 1990 that amount will drop to $47.30 per person, nearly 40% less. In the case of the Seattle-King County Division on Aging, we project a decrease of $1.3 million between the 1986 and 1990 allocations. The total amount of funding that will be denied the elderly during that five year period will be **$4.35 million** or the equivalent of **18 months of Older American's Act funds.**

Here are a few examples of what that means. By 1990 elderly persons will not be provided; 12,000 assistance cases, 11,000 case management cases, 152,000 transportation rides, 460,000 congregate meals and 300,000 home delivered meals. Health services would be reduced by 11,500 in-home health aide hours, 700 nurse visits, 1,700 dental and denture visits and 5,600 days (33,600 hours) of respite care. These would be lost due **only** to the proposed reductions in the Older American's Act.

The statistics provided above are as conservative as they are troubling. As bad as they appear, they will probably be much, much worse. For the City of Seattle there has already been announced a 16.2% reduction in Community Development Block Grant funding during 1986. In those services administered by the Division on Aging alone that is a reduction of $107,000. This does not include the severe reductions to services such as shelters, food banks and health clinics which receive a great deal of CDBG funding, serve elderly, but are administered elsewhere. Reductions in CDBG will increase the proportionate reduction in every previously mentioned service.

Impact statistics from aging programs in the State of Washington will likely be less severe than others due to the amount of funding support received from the state budget. In King County, state funds represent approximately 40% of the available discretionary funds allocated to services in 1986. Statistics provided assume that the amount of funding from the state for services will remain constant through 1990. This may be an overly optimistic assumption.

Who will suffer from such cutbacks? An example is case management clients--all of whom are diagnosed as "vulnerable," i.e., lacking the necessary social, health and financial resources and supports to remain independent. Of these, 19% are ethnic/racial minorities, 70% are low-income, 50% live alone and 77% are age 75 or older. These people avoid or delay loss of independence in the community due only to the intervention of professionals who piece together the potentially extinct services mentioned above.

Projected annual reductions by service are provided on the attached page. Again, note that these cuts reflect only OAA reductions, assume stable state funding, and do not account for inflation.

Sincerely,

Denise A. Klein

Denise A. Klein
Director

FJ:lp

cc: Senator Slade Gorton
Senator Daniel J. Evans
Representative Mike Lowry
Representative Rod Chandler
Representative John Miller
National Association of Area Agencies on Aging
Ralph Smith, Acting Secretary B.A.A.S.
Mayor Charles Royer
County Executive Tim Hill
A.A.A. Directors Assoc. of Washington State

Attachment

	Pre-Cut 1986	Post-Cut 1986	1987	1988	1989	1990	5 Yr. TOTAL Service Loss
I&A Cases	13,428	13,092	11,481	10,746	10,208	9,900	11,713 cases
Case Management Cases	12,120	11,817	10,363	9,700	9,215	8,938	10,567 cases
Transportation Trips	174,500	170,137	149,210	139,660	132,677	128,696	152,420 trips
Congregate Meals	526,200	513,045	449,940	421,143	400,085	388,082	458,741 meals
Home Delivered Meals	334,510	326,147	286,030	267,724	254,337	246,706	291,625 meals
Mental Health Cases	272	265	232	217	206	200	240 cases
Day Health Days	6,398	6,238	5,470	5,120	4,864	4,718	5,580 days
Home Health Hours	13,200	12,870	11,286	10,563	10,034	9,732	11,515 hours
Nurses Visits In-Home	800	780	684	640	608	589	700 visits
Dental Visits	1,891	1,843	1,616	1,512	1,436	1,392	1,656 visits
Hearing Aids	81	79	69	64	61	59	73 aids
Nursing Home Ombudsman Cases	420	410	359	336	319	309	367 cases
Total Annual Reduction from Previous Year		$120,000	$620,560	$250,560	$190,000	$107,730	
% Reduction		2.5%	13.2%	6.4%	5%	3%	